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1941 - 1991

# Daily Report

# East Asia

FBIS-EAS-91-132
Wednesday
10 July 1991

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## Japan

### Deputy Foreign Minister on G-7 USSR Aid

*OW1007075991 Tokyo KYODO in English 0744 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—Deputy Foreign Minister Koji Watanabe said Wednesday that he believes the Group of Seven (G-7) nations may agree at their summit in London next week to provide support for energy resources development in the Soviet Union.

Watanabe said in an interview with KYODO News Service the leaders attending the annual economic summit have acknowledged the importance for the Soviets to promote development of energy resources, including oil.

He also hinted at a possibility that the seven nations may also agree to help Moscow convert its military industries to expand production of consumer goods.

The seven countries participating in the summit set for July 15- 17 are Britain, Canada, France, Italy, Germany, Japan, and the United States.

Western aid to the Soviet Union will be a major topic of discussion at the summit.

Watanabe predicted it would be difficult for the summit to respond to a Soviet request for financial aid.

He stressed the need for the Soviet Union to create an environment conducive to private investment in resources development projects.

Watanabe said four international organizations, including the Organization for Economic Cooperation and Development (OECD), have agreed to investigate the present economic situation in the Soviet Union.

The investigation will be made in connection with a U.S. proposal to grant Moscow special associate membership in the International Monetary Fund (IMF), he said.

### Prime Minister Kaifu Leaves for U.S.

*OW1007030491 Tokyo KYODO in English 0255 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—Japanese Prime Minister Toshiki Kaifu left Haneda on Wednesday to meet with U.S. President George Bush in Maine.

Kaifu and his wife Sachiyo are to travel Thursday (local time) to the east coast state where they will spend the night at Bush's vacation home. They arrive in Boston.

The Japan-U.S. summit is to focus on coordination of views on assistance to the Soviet Union four days before the leaders of the seven industrial democracies meet in London July 15-17 and then the seven meet, post-summit, with Soviet President Mikhail Gorbachev, a Foreign Ministry official said.

Bush and Kaifu last met in April in California.

Kaifu, who is hesitant toward financial aid to the Soviets because of a territorial dispute between Japan and the Soviet Union over four small islands off Hokkaido, is expected to seek Bush's support for a Japanese stand against massive aid to the Soviets.

The Japanese and U.S. leaders are expected to reaffirm that the two powers will work together to form a "new world order" after the end of the Gulf and cold wars, according to the official.

"The bilateral relationship is in good shape as major trade issues, including semiconductor, construction, and sea turtles, were settled," the Japanese official said.

But Bush, who faces a presidential election campaign next year, is expected to press Kaifu to "make a political decision" on more foreign access to the Japanese rice market, a major obstacle to progress in trade negotiations under the general agreement on tariffs and trade.

The Kaifu-Bush meeting, to be attended only by interpreters and a handful of officials, is to last five to six hours over dinner and breakfast, the official said.

### Kaifu To Explain Securities Policy Plans

*OW1007081791 Tokyo KYODO in English 0802 GMT 10 Jul 91*

[Text] Boston, July 10 KYODO—Prime Minister Toshiki Kaifu will tell Western leaders about Japanese plans to legally ban brokerage houses from compensating favored clients for trading losses, a Japanese Government source said Wednesday.

The source said that if the issue comes up for discussion at the Japan-U.S. summit Thursday or the London summit of seven major industrial nations next week, Kaifu will explain that Japan is moving toward banning the practice by revising the securities and exchange law.

Kaifu is also expected to point out that many countries, including the United States, do not legally ban the practice.

The source was in Boston in advance of the arrival of Kaifu, who is to meet with U.S. President George Bush in Maine Thursday.

The source was commenting on the government's position on the latest Japanese stock market scandals.

The scandals concern payments by Japan's "Big Four" brokerages to compensate selected institutional investors for trading losses and the links that two of the four companies had with mobsters.

The source said Kaifu will also:

—Deny widespread speculation that the Finance Ministry turned a blind eye to the brokerages' compensatory payments to clients, saying they were in violation of a ministry directive.

—Express regret over the scandals, saying they affected investor confidence, especially from the viewpoints of fairness and market transparency.

—Stress that the government has issued a new directive to ban the widespread practice of securities companies receiving funds from clients for investment at their own discretion, since that practice leads to compensation payments for trading losses.

## Firm Illegally Exports Missile Parts to Iran

*OW0907143991 Tokyo KYODO in English 1351 GMT 9 Jul 91*

[Text] Tokyo, July 9 KYODO—A Japanese electronics firm illegally exported to Iran repaired missile parts disguised as products for commercial use, police investigators said Tuesday.

Japan Aviation Electronics Industry Ltd. has been accused of illegally exporting 700 million yen worth of aviation gyroscopes and accelerometers to Iran during its war with Iraq.

The company engaged in the practice at the behest of its U.S. partner, they said.

U.S. investigators are seeking information from the Japanese company in exchange for immunity from prosecution under U.S. statutes, Japanese sources said.

They said the unidentified U.S. firm is preparing to seek damages from the Japanese company for having violated terms of a licensing agreement.

Officials at the Tokyo Metropolitan Police Department said Japan Aviation Electronics exported missile parts repaired in Japan back to Iran without the required approval from the Ministry of International Trade and Industry.

Japan bans weapons exports to communist countries and nations involved in international conflicts.

The officials said the repaired parts were shipped to Iran via Singapore, where they were described in customs declarations as equipment for commercial airliners.

They said U.S. law enforcement authorities have been investigating the case since last year with the cooperation of Japan.

Japan Aviation Electronics Industry and the U.S. electronic firm concluded a sub-license agreement for production of gyroscopes in 1970 with the approval of the U.S. Government.

The agreement restricted the volume of production and exports by the Japanese company, the officials said.

### Sources Cite U.S. Officials

*OW1007111091 Tokyo KYODO in English 1052 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—U.S. President George Bush will not take up a Japanese company's illegal weapons exports to Iran during his meeting with Prime Minister Toshiki Kaifu on Friday, Japanese Government sources said Wednesday.

The sources, quoting U.S. Administration officials as telling the Japanese Government informally, said Washington regards the case as less important strategically than the illegal exports in the early 1980s by a Toshiba Corp. subsidiary of computer-controlled machinery to the Soviet Union.

U.S. and Japanese authorities are investigating the illegal exports of repaired missile parts to Iran by a Japanese aviation electronics firm affiliated with a California-based electronics manufacturer, Japanese police said.

In the latest case, Japan Aviation Electronics Industry Ltd. was accused of exporting 700 million yen worth of aviation gyroscopes and accelerometers to Iran without government approval during the Iran-Iraq war.

The Tokyo-based company has been manufacturing missile equipment under license from the California electronics firm since 1970, police said.

The Japanese sources said the United States considers it unlikely that the illegal deal will cause a furor in the U.S. Congress like that stirred up by the Toshiba case.

Illegal exports of sophisticated milling machines and computer programs to Moscow by Toshiba Machine Co., a subsidiary of electronics giant Toshiba Corp., helped the Soviets produce quieter submarines, jeopardizing Western security, U.S. officials were quoted as saying.

The sources said the U.S. Administration was pleased with the Japanese authorities' quick action against Japan Aviation Electronics.

## Joint U.S. Executives Meeting on Trade Held

*OW1007023191 Tokyo KYODO in English 0142 GMT 10 Jul 91*

[Text] Pittsburgh, July 9 KYODO—Business executives from Japan and the United States agreed to set up a joint working group on the bilateral trade gap before finishing their three-day meeting Tuesday.

The 28th annual U.S.-Japan business parley, held in Pittsburgh, also adopted the environmental charter issued by the International Chamber of Commerce and agreed to study ways to save the environment and promote investment in the Third World.

The working group, proposed by Akio Morita, chairman of consumer electronics behemoth Sony Corp., will analyze Japan's trade surplus with the United States, which last year amounted to 41 billion dollars.

The roughly 200 business leaders also agreed on greater use of their business action center, an organization aimed at resolving bilateral trade disputes at the private-sector level.

"The conference was successful in that we had frank discussions over bilateral issues to deepen mutual understanding," said Japanese delegation leader Eishiro Saito, honorary chairman of the Federation of Economic Organizations (Keidanren).

During the meeting, the U.S. side said recent scandals engulfing the Japanese securities industry exemplify the secrecy of the Japanese market. But, to the relief of Japanese representatives, the Americans did not press the issue.

The U.S. team showed particularly strong displeasure over Japan's "keiretsu" practice—the web of cross-shareholding that ties many Japanese companies together—and over trade in automotive parts.

U.S. Commerce Secretary Robert Mosbacher, in a speech Monday, lambasted the keiretsu system as making the Japanese market "a hard nut to crack" for foreign competitors.

He also said Japan's automobile and parts markets need drastic changes. Washington has complained that U.S. parts makers are shut out of the Japanese market, while Japanese parts have taken a growing chunk of the U.S. market—now accounting for one quarter of the total bilateral trade imbalance.

### Meeting Concludes

*OW1007122191 Tokyo KYODO in English 0859 GMT 10 Jul 91*

[Text] Pittsburgh, Penn. July 10 KYODO—Business executives from Japan and the United States wrapped up three days of annual talks Tuesday, leaving them wide part over a number of bilateral trade issues.

"The conference was successful in that we had frank discussions over bilateral issues to deepen mutual understanding," said Japanese delegation leader Eishiro Saito, in looking back at the 28th Japan- U.S. Business Conference.

But the gap between the two sides was so deep that they had to skip issuing a joint statement as in the past meetings because they found it time-consuming to iron out their differences over trade disputes facing Tokyo and Washington.

During the meeting, U.S. participants blasted Japan's near total ban on rice imports, describing it as evidence of the lukewarm Japanese attitude toward progress in the Uruguay Round of multilateral trade talks.

The U.S. side insisted that Japan must open its rice market in order to bring the European Community (EC) back to the bargaining table to discuss over how to reduce domestic farm protection under the global trade negotiations.

The U.S. and EC have been haggling over how to cut farm export subsidies and protective measures for domestic farmers for some time, making agriculture the most serious stumbling block to a successful conclusion to the Uruguay Round.

Besides rice, the U.S. team showed strong displeasure over Japan's "keiretsu" system—the web of cross-shareholding that ties many Japanese companies together under one corporate group—and over trade in auto parts.

The U.S. charges followed a tone set by U.S. Commerce Secretary Robert Mosbacher, who criticized the keiretsu system as making the Japanese market "a hard nut to crack" for foreign competitors.

Addressing a luncheon on the second day of the meeting, Mosbacher said Japan's automobile and parts markets need drastic changes.

Washington has complained that U.S. auto parts makers are shut out of the Japanese market, while Japanese parts have taken a growing chunk of the U.S. market.

The three-day business parley, which drew about 200 businessmen, produced an agreement to form a joint working group on studying the cause of the huge trade imbalance, which was in Japan's favor by some 41 billion dollars last year.

The participants also adopted the environmental charter issued by the International Chamber of Commerce and agreed to study ways to save the environment and promote investment in the Third World.

### KYODO Interviews USSR's Primakov

*OW0507150791 Tokyo KYODO in English 1443 GMT 5 Jul 91*

[Text] Tokyo, July 5 KYODO—Visiting Soviet envoy Yevgeniy Primakov said Friday the proposed creation of a fund aimed at stabilizing the ruble is essential to spur sluggish Soviet efforts toward a market economy.

In an exclusive interview with KYODO NEWS SERVICE, Primakov said: "A convertible ruble is vital for the transition to a market economy. I briefed the Japanese Government about the details of the proposal."

The proposed fund, a top priority in an economic reform program recently conceived by Grigoriy Yavlinskiy, a former Russian deputy premier, and economists from Harvard University, is designed to finance possible intervention in the foreign-exchange market after the Soviet currency becomes convertible.

A stable ruble, by helping check prices, is considered vital for a smooth transformation of the stagnant planned economy of the Soviet Union into a market-oriented system.

There are now various exchange rates for the nonconvertible currency. If its value becomes uniformly set, its market rate is exepcted to fluctuate wildly, hampering soviet economic reforms.

Primakov said the government plans to make the ruble convertible for the dollar and other foreign currencies beginning next year, although only within the Soviet Union at first.

Asked when the ruble could become convertible externally, the special adviser to Soviet leader Mikhail Gorbachev said it "depends on the scale of money collected for the fund."

Primakov, on a four-day visit to Japan to explain Moscow's stance on economic reforms before Gorbachev talks with heads of seven major industrialized nations in London later this month, stressed his mission is not to ask for a Japanese contribution to the fund. But he indicated Moscow's desire for financial aid from Western governments, saying national economies are closely linked with each other and the Soviet Union is a promising market for investment. He did not specify the amount of the necessary aid.

In the interview, Primakov said Gorbachev will present "his own economic reform plan" when he meets with the leaders in London on July 17, just after the summit.

Referring to a view that there is much conflict between the Yavlinskiy program and a rival variant backed by conservatives in the central government, Primakov said he thinks the two programs share many common points.

During his talks with Prime Minister Toshiki Kaifu Thursday, Primakov also said Gorbachev is working to combine the two programs and to present his own version to the summit leaders.

## Firm To Resume Software Development for USSR

*OW0907181891 Tokyo KYODO in English 0952 GMT 9 Jul 91*

[Text] Tokyo, July 9 KYODO—ASCII Corp., a major Japanese computer software firm, said Tuesday it will resume marketing Soviet-developed computer software in Japan following the settlement of a dispute it said arose from a misunderstanding.

Kazuhiko Nishi, president of the company, told a news conference the Soviet Communist Party newspaper PRAVDA has apologized for carrying an article accusing his company of pirating Soviet- developed computer software.

"Our misunderstanding has been solved and our company will resume commercializing outstanding Soviet software in Japan," Nishi said.

PRAVDA earlier carried an article charging that the Japanese company stole 800 computer programs introduced at a Soviet software contest held in Tokyo early last year.

The newspaper apologized in its July 5 edition, saying the previous article was based on a misunderstanding.

Nishi said the company plans to market a couple of computer game programs in Japan this year.

## Tokyo To Follow U.S., EC on South Africa

*OW1007134391 Tokyo KYODO in English 1322 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—Japan plans to follow the lead of the United States and the European Community regarding the lifting of economic sanctions against South Africa, a top Foreign Ministry official said Wednesday.

A concrete decision is expected in a cabinet meeting July 30 when Prime Minister Toshiki Kaifu and Foreign Minister Taro Nakayama return from the London summit of leading industrial countries and other foreign trips.

"Japan will consider removing economic sanctions (against South Africa for its apartheid policies) if there is a concrete indication the U.S. and European Community are moving to lift their sanctions," the official, who declined to be named, said.

The official remarked that Japan would welcome the release of political prisoners held in South Africa, which has been an obstacle to the rescinding of sanctions.

He also hailed "in principle" the decision Tuesday by the International Olympic Committee to readmit South Africa to the Olympic movement.

He suggested Japan will lift restrictions on sports exchanges with South Africa if progress is achieved in integrating South African sports organizations.

On June 21, the Japanese Government announced a decision to lift some sanctions against South Africa, including resumption of issuing visas to South Africans, in response to Pretoria's repeal of the last legal pillar of apartheid.

Japanese economic sanctions, however, such as a ban on all direct investment by Japanese firms and iron and steel imports, remain.

Other economic sanctions left intact are a ban on computer sales to apartheid-linked institutions such as police and the Armed Forces, and suspension of air links between the two nations.

After economic sanctions are lifted, Japan will consider plans to establish full diplomatic ties with Pretoria and to invite South African President F. W. de Klerk to Japan, government officials said last week.

Japan established consular recognition of South Africa in 1952 but has not yet normalized diplomatic relations.

## KYODO: Pakistan Explains Visit Cancellation

*OW0907110591 Tokyo KYODO in English 1036 GMT 9 Jul 91*

[Text] Islamabad, July 9 KYODO—Prime Minister Mohammad Nawaz Sharif's last-minute cancellation of his visit to Japan, scheduled July 1-5, was not caused by Japan's attitude about Pakistan's nuclear program, a Foreign Office spokesman said Tuesday.

He was commenting on a report in the daily FRONTIER POST the same day that Sharif was forced to cancel his visit when "Japanese leaders" said Tokyo would provide no additional financial help to Islamabad until it signed the nuclear nonproliferation treaty.

On Sunday, an Islamabad daily, THE MUSLIM, said the visit was canceled under pressure from a superpower opposed to better Pakistani-Japanese relations, an apparent reference to the United States.

Sharif canceled the Japan visit June 30, citing deteriorating domestic law and order.

The Foreign Office spokesman said he hopes the cancellation of the visit would have no effect on relations with Japan.

## Foreign Minister Nakayama Leaves for Ireland

*OW1007061091 Tokyo KYODO in English 0458 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—Foreign Minister Taro Nakayama left for Ireland via Britain on Wednesday for talks with Irish Foreign Minister Gerard Collins.

Nakayama will fly from Dublin to London on Friday to attend the London summit of seven major economic powers set for July 15-17.

## Parliamentarian Delegation Leaves for Vietnam

*OW1007132091 Tokyo KYODO in English 1249 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—A nonpartisan delegation of Japanese parliamentarians left for Vietnam on Wednesday to hold talks with Prime Minister Do Muoi.

The delegation, part of a group promoting friendship with Vietnam, is headed by Yoshio Sakurauchi, speaker of the House of Representatives.

The parliamentarians are also scheduled to meet Foreign Minister Nguyen Co Thach before returning to Japan on July 18.

## NEC To Obtain Share in French Firm Bull

*OW0907174391 Tokyo KYODO in English 0857 GMT 9 Jul 91*

[Text] Tokyo, July 9 KYODO—NEC Corp. said Tuesday it has signed a memorandum of understanding with Groupe Bull to obtain a 4.7 percent stake in the financially troubled French state-owned computer maker.

NEC officials said formal conclusion of the agreement is scheduled for the end of September.

According to the memorandum, NEC will exchange its 15 percent interest in Bull HN Information Systems Inc. for a 4.7 percent stake in Compagnie Des Machines Bull (CMB), the parent company of Groupe Bull.

The officials said a wide range of computer products, including hardware ranging from portable computers to mainframes as well as software and operating systems, will be offered to customers through the tie-up.

Bull HN Information Systems, which was established in March 1987 by NEC, Honeywell Inc., and CMB, markets personal computers, unix- based workstations, and other computer products worldwide, the officials said.

Groupe Bull consists of Bull S.A. France, Bull Europe, Bull HN, and the U.S.-based Zenith Data Systems.

The agreement comes after two months of negotiations that began in May but were delayed due to an order by French Prime Minister Edith Cresson to reexamine the transaction.

Cresson, who took office in May, is known for her outspoken views about Japanese competition.

She had considered ordering Bull to sever its ties with NEC, but later authorized the company to continue talking with the Japanese computer maker, sources said.

In May, NEC and Groupe Bull agreed in principle on NEC's equity participation in the French computer firm, which had heavy losses of 17 billion yen in fiscal 1990, industry sources said.

Since 1984, NEC has licensed Bull HN and Bull S.A. to manufacture and distribute the NEC mainframe computers under the Bull brandname worldwide.

The officials said the agreement will benefit both organizations, leading to an even greater exchange of products and technology.

## Further Reportage on Securities Industry Scandal

*OW0907151491 Tokyo KYODO in English 1159 GMT 9 Jul 91*

[Text] Tokyo, July 9 KYODO—The Ministry of Finance is moving to revise the Securities and Exchange Law to bar brokerages from compensating favored clients for their investment losses, ministry officials said Tuesday.

The officials said the proposed revision is aimed at preventing a recurrence of the payout scandal currently rocking the securities industry.

Such payouts are already prohibited, but only under a Finance Ministry notice to brokerages.

The big four securities companies Monday estimated their payouts to clients at 124.5 billion yen "if calculated in a wide sense."

Tax officials said the brokerages treated their payouts either as losses or expenditures in their financial statements.

The officials said a new law will ban the practice and provide for penalties against offenders, including the suspension of business.

The ministry is also considering regulating the sale and purchase of bonds and stocks at prices substantially higher or lower than their market prices, the officials said.

The ministry hopes to submit a revised law to the ordinary session of the Diet later this year, they added.

Nobuhiko Matsuno, director general of the Finance Ministry's Securities Bureau, meanwhile, reported to Prime Minister Toshiki Kaifu Tuesday that the ministry is taking steps to prevent the recurrence of scandals involving brokerages, officials said.

Matsuno said the measures include a ban on compensation payments to corporate clients and abolition of discretionary accounts under which securities firms are allow to operate funds of corporate clients at their own discretion.

Kaifu instructed Matsuno to deal with the matter seriously to eliminate a sense of unfairness among individual investors, the officials said.

### Foreign Ministry Offers Support

*OW0907160191 Tokyo KYODO in English 1443 GMT 9 Jul 91*

[Text] Tokyo, July 9 KYODO—The Foreign Ministry gave its support Tuesday to the Finance Ministry's handling of the scandals that have eroded confidence in the Japanese securities industry.

Ministry Spokesman Taizo Watanabe, fielding a barrage of questions from reporters, denied that the penalties announced Monday for Japan's four biggest securities firms are just "a slap on the wrist."

All four firms have admitted compensating big institutional clients for stock and bond market losses, while two of the four have also admitted arranging loans for an organized crime syndicate.

On Monday, Finance Minister Ryutaro Hashimoto ordered the four firms to refrain from business with corporate clients for four days as a penalty for the compensation, which violated ministry regulations.

Watanabe defended this as a "tough" penalty, saying the government is ready to prevent the recurrence of stock scandals.

Prime Minister Toshiki Kaifu has said he will tell the leaders of seven major industrial nations that the recent scandals are "not a true reflection" of the way business is conducted in Japan.

Kaifu leaves Wednesday for the United States, where he will meet U.S. President George Bush on his way to London for the July 15-17 seven power summit.

"The disciplinary actions announced by the Finance Ministry were hammered out in view of the premier's instruction" to strictly punish the brokerage houses, Watanabe said.

The Finance Ministry also said Monday it will issue a nonbinding notification banning "eigyo tokkin" funds—accounts allowing brokers to manage corporate funds at their own discretion.

But analysts said the ban contains a loophole that would make it almost meaningless even if it were binding.

### Hashimoto Takes Pay Cut

*OW1007042491 Tokyo KYODO in English 0409 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—Finance Minister Ryutaro Hashimoto said Wednesday he will return 10 percent of his pay for three months to take responsibility for recent scandals involving Japan's "big four" brokerage houses.

Hashimoto also told reporters that four top ministry officials, including Administrative Vice Minister Hiroshi Yasuda and Securities Bureau Director General Nobuhiko matsuno, were disciplined Wednesday. Yasuda and Matsuno will also take similar pay cuts, the minister said.

In announcing the disciplinary actions, Hashimoto said a lack of government supervision over the securities industry was responsible for the scandals, which concern two companies' links with mobsters and payments made by all four brokerages to compensate favored clients for trading losses.

Hashimoto also said the Finance Ministry on Wednesday established a team to study ways to tighten government inspections on securities companies and other financial institutions. Kyosuke Shinozawa, deputy vice minister of the minister's secretariat, is to head the team.

The team will try to compile a report laying out a new system of government inspections on the financial industry "as soon as possible," the minister said.

Hashimoto said he is the first Japanese cabinet minister to return part of his pay to take responsibility for the conduct of his ministry.

Japanese securities industry sources, commenting on the disciplinary actions against top Finance Ministry officials, described the punishments as a natural course of action.

But they said the punishments, especially the pay cut for the Finance Minister himself, were more severe than expected.

The sources said they believe the ministry was forced to punish some of its top officials after the presidents of Nomura Securities Co. and Nikko Securities Co. resigned to take responsibility for the scandal.

Hashimoto had earlier said no ministry officials would be punished in connection with the scandal.

### Nomura, Nikko Punish Executives

*OW0907221591 Tokyo KYODO in English 1143 GMT 9 Jul 91*

[Text] Tokyo, July 9 KYODO—Two of Japan's big four brokerages announced Tuesday punishment meted out to executives who were involved in loaning funds to an underworld syndicate figure.

The action came a day after the four securities companies announced that action would be taken against executives and employees involved in questionable compensation payments to favored clients who lost money in the market slump.

Nomura Securities Co., Japan's largest securities firm, said Executive Director Yoshio Matsui will be relieved of his post as of July 31. Director Yoshitaka Yamashita was dropped from the post June 26.

The company said Hironori Yokoya, vice president of its financing arm Nomura Finance Co., was demoted to its executive director effective Monday.

The company also said Mitsuya Tokumoto, managing director of Nomura Real Estate, will be removed from his post as of July 31, while Executive Director Takehiko Matsuda of Nomura Real Estate was demoted to a director Monday.

The five officials were blamed for arranging a 2 billion yen loan provided by the Nomura group in the spring of 1989 to Susumu Ishii, former boss of the powerful Inagawa-Kai underworld syndicate, the company said.

Nikko Securities Co., No. 3 in the nation, said Keniichi Katayama, one of its directors and former head office business manager, will be relieved of his directorship at the end of this month for his role in the company's loan to Ishii.

### 'Big Four' Brokerages Penalized

*OW1007123091 Tokyo KYODO in English 1141 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—The Japan Securities Dealers Association said Wednesday it has penalized the Big Four brokerages over the payout scandal sweeping the securities industry.

The association said Nomura Securities Co. And Nikko Securities Co. were fined 10 million yen each and Daiwa Securities Co. and Yamaichi Securities Co. 5 million yen each.

The four brokerages were accused of violating the association's charter barring them from compensating clients for their investment losses, the association said.

The association said the action was in line with a decision made at executive and ethics committee meetings held earlier in the day.

The association also said the four companies were advised to take measures to prevent a recurrence of similar cases.

The four companies were asked to submit in writing actions taken by them within one month, the association said.

Tetsuei Tokugawa, acting chairman of the association, told a news conference the association imposed the heaviest possible penalties against the four companies because the scandal involving them caused a serious impact on the industry.

Daiwa Securities and three other smaller firms received lighter penalties in August last year for manipulating stock prices.

### Companies To Alter Procedures

*OW0907181391 Tokyo KYODO in English 1422 GMT 9 Jul 91*

[Text] Tokyo, July 9 KYODO—Several companies have announced alterations to their securities issuing and public offering plans as the ripples of the current securities scandal continue to spread.

In the meantime, eight more municipal governments have decided to temporarily terminate fund management arrangements with the country's big four securities brokerages.

Tokimec Inc., a leading airborne and marine instrument maker, decided Tuesday to call off plans to issue dollar-denominated warrant bonds, which it has been planning to do in the near future.

Takashimaya Co., a major Japanese department store, and Toa Steel Co. said Tuesday they would suspend their public offerings of similar bonds, for which they have planned to start receiving subscriptions the same day.

The Tokimec decision, which came during a board of directors meeting, overturned a decision to float the bonds made at a board meeting July 1.

Tokimec said in a release that it decided the suspension due to "the current market environment." The firm's share price suffered from a steep decline in the wake of the big four brokerage scandal, market sources said.

Industry observers said it is highly unusual for a firm to abandon plans to issue a bond once it has decided to do so.

The reason given for the Takashimaya and Toa Steel suspensions was the probable lack of buyers in the slumping stock market, which saw the price of warrants tumble following the outbreak of the brokerage scandal.

But industry analysts said the suspension of business activity by Nomura Securities Co., their lead manager, beginning Wednesday, would undoubtedly have a detrimental effect on sales.

The likelihood is strong that the firms will offer their warrant bonds to the public shortly after July 16 when Japan's top four securities houses resume business activity.

The Ministry of Finance prohibited the four brokers from dealing with their corporate clients for four trading days beginning Wednesday after their compensation payments to their favored clients for stock losses were brought to light.

Nomura and Nikko were also found to have had dealings with a former mob kingpin.

In a related development, eight more local governments—those of Osaka, Wakayama, and Hiroshima Prefectures and the cities of Osaka, Hiroshima, Nagoya, Sapporo, and Chiba—decided Tuesday to temporarily suspend fund management contracts with the big four brokerage houses.

### Equity Finance Plans Postponed

*OW1007140291 Tokyo KYODO in English 1215 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—At least three more companies announced postponement of equity financing plans on Wednesday because of the sweeping payout scandal involving the Big Four brokerages.

Tokyo Electron Ltd., an electronics importing company, said it has postponed indefinitely a public offering of warrant bonds scheduled for Thursday in consideration of the "recent market environment."

Sumitomo Rubber Industries Ltd. and Daiken Trade and Industry Co. also said they have postponed offerings of foreign currency- denominated warrant bonds for five days to one week.

Nomura Securities Co. and other major brokerages had been selected as lead managers for these bond issues.

Tokimec Inc., a leading air and marine instrument maker, Takashimaya Co., a major department store, and Toa Steel Co. announced Tuesday the cancellation of warrant bond issues.

Industry sources said several other companies are expected to take similar action in the wake of the securities scandal.

### Pension Group Suspends Transactions

*OW0907094691 Tokyo KYODO in English 0715 GMT 9 Jul 91*

[Text] Tokyo, July 9 KYODO—The government-run Pension Welfare Service Public Corp. has suspended all transactions with scandal-plagued Nomura Securities Co. until the end of July, Health and Welfare Minister Shinichiro Shimojo said Tuesday.

Shimojo told reporters the pension corporation, an affiliate of his ministry, will also suspend transactions with the other three of Japan's "Big Four" brokerages on the four business days from Wednesday to next Monday, under administrative guidance from the Finance Ministry.

Also Tuesday, Posts and Telecommunications Minister Katsutsugu Sekiya said his ministry will suspend trading Wednesday through Monday with the four—Nomura, Nikko Securities Co., Daiwa Securities Co., and Yamaichi Securities Co.

The Posts Ministry invests funds from postal savings and postal insurance in the securities market.

Nomura, the world's biggest brokerage house, paid the pension corporation 4.5 billion yen to compensate it for market losses, according to official investigations. The corporation invests part of its pension funds in the securities market on advice from investment consulting firms.

The public corporation's investment is estimated at 1,023 billion yen for fiscal 1991, which will end next March 31. Nomura's investment consulting arm has an estimated 37 percent share of the fund's operation.

### Local Governments Bar Business

*OW0907232891 Tokyo NHK General Television Network in Japanese 1000 GMT 9 Jul 91*

[Text] There is a growing trend across the nation among local authorities toward suspending business transactions with the big four securities companies implicated in financial scandals, which included stock transactions on behalf of organized crime. As of today, local authorities in nine prefectures and 12 cities have decided to suspend business transactions with the big four securities companies. In addition, NHK has learned that five more prefectures and two more cities are planning similar actions.

According to an NHK survey conducted in all prefectural capitals, the nine prefectures that have decided to cease doing business with Nomura, Daiwa, Nikko, and Yamaichi Securities are Miyagi, Kanagawa, Chiba, Osaka, Hyogo, Wakayama, Okayama, Saga, and Nara. The 12 cities include Sapporo, Sendai, Chiba, Yokohama, Nagoya, Kyoto and Kobe.

In addition, nine prefectures and three cities, including Tokyo, Fukuoka, and Kitakyushu, are debating future deals with the four companies. Of these, five prefectures and two cities are expected to formulate countermeasures by week's end.

Bond repurchase agreements, a purchase of bonds on condition of resale after a certain period, and medium-term government bond purchases comprise the principal business transactions between securities companies and local authorities now taking countermeasures.

[Begin Kosuke Ogawa, Sendai City official, recording] The city's outstanding business with the big four securities companies is valued at about 16 billion yen. As soon as these accounts mature, we will shift them to other securities companies. [end recording]

[Begin Masao Kuramoto, Kobe City official, recording] The Kobe government issues municipal bonds. It is unfortunate that public confidence has been damaged. We hope that the securities companies will work hard to restore public confidence. [end recording]

Local governments are good customers for securities companies. They pay large commissions to securities companies for bond repurchase deals. It is estimated that business from local governments amounts to approximately 100 billion yen per month for the four securities companies. Since the securities companies underwrite regional bonds issued by local governments, however, financial officers in local governments worry that suspending business with the big four might affect fundraising activities and thus public works projects.

It is not unusual for local governments to suspend their dealings with construction companies implicated in bid-rigging [dango] or bribery. But this is the first time they have stopped doing business with the big four securities companies simultaneously.

The trend toward excluding the big four securities companies is gaining momentum and indicates the extent of public criticism. Recent stock scandals have not just raised concern among individual investors. The scandals are starting to have serious repercussions on local governments' finances, which of course directly affects citizens' lives.

### Official 'Pessimistic' About SEC

*OW1007132491 Tokyo KYODO in English 1244 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—A senior Ministry of Finance (MOF) official said Monday he is pessimistic about the creation of a Japanese version of the U.S. Securities and Exchange Commission (SEC) following the Japanese securities scandal.

"There have been calls for the creation in Japan of an organization much like the SEC which investigates and exposes (misconduct)," he said.

"But we do not think this type of organization would fit in Japan," he said.

Earlier in the day the ministry launched a team to examine ways of beefing up inspection of the securities industry.

The official said the team is considering preserving the ministry's current licensing system for the securities industry.

He also said the team will look into ways of improving the inspection process through changes in personnel and procedures.

### LDP Approves Political Reform Bills

*OW0907183191 Tokyo KYODO in English 1255 GMT 9 Jul 91*

[Text] Tokyo, July 9 KYODO—The ruling Liberal Democratic Party (LDP) on Tuesday gave final approval to a package of political reform bills aimed at introducing a single-seat constituency system for the powerful House of Representatives.

Backing for the measures by the party's decision-making Executive Council came only after a long and twisted debate.

The plan is to submit the package to the Diet after getting cabinet approval Wednesday prior to Prime Minister Toshiki Kaifu's departure for the United States, officials said.

Following the LDP's final decision to back the bills, LDP Secretary General Keizo Obuchi met Kaifu and told him that the LDP will discuss with opposition parties the convening of an extraordinary session of the Diet in early August.

However, political observers believe there is little chance of the measures being enacted because of deep antagonism between the party leadership and party members who are strongly opposed to them out of fear of losing their seats in the lower house if the reforms are implemented.

All opposition parties have also vowed to fight the proposals, arguing that the introduction of the single-seat electoral system would perpetuate the LDP's hold on power.

The council first decided to approve the bills June 29 after two days of heated discussions.

However, former Health and Welfare Minister Junichiro Koizumi and other members had called for nullification of the decision and resignation of Takeo Nishioka as chairman of the Executive Council for having pushed the bills through without a final vote.

At the outset of Tuesday's resumed discussion, Nishioka apologized for his handling of the package at the earlier panel meeting and withdrew the June 29 approval of the bills.

Koizumi and former Labor Minister Toshio yamaguchi then reiterated their opposition to the introduction of a single-seat constituency system.

They said political reform could be realized under the current medium-sized constituencies from which two or more candidates are elected.

However, council members finally approved the bills after Nishioka announced that party members would be allowed to freely debate the measures in the Diet.

The bills included in the package are aimed at overhauling the nation's electoral system, tightening controls on political funds, and providing subsidies to political parties.

### Cabinet Gives Approval

*OW1007034691 Tokyo KYODO in English 0331 GMT 10 Jul 91*

[Text] Tokyo, July 10 KYODO—Only hours before Prime Minister Toshiki Kaifu departed for the United States and Britain, his cabinet approved a package of political reform bills introducing a single-seat constituency system for the powerful House of Representatives on Wednesday morning.

The cabinet approval followed Tuesday's endorsement of the Ruling Liberal Democratic Party's (LDP) Executive Council after long debate within the governing party.

The LDP will shortly propose to the opposition parties the convening of an Extraordinary Session of the Diet in early August as the approval of both the cabinet and the governing party paved the way for a discussion of the political reform bills at the Diet.

The three bills included in the package are aimed at overhauling the nation's electoral system, tightening controls on political funds, and providing subsidies to political parties.

It will be the first time in 35 years since 1956 that a draft of the revised election law with new constituencies to be drawn up will be discussed at the diet, officials said.

However, political observers believe there is little chance of the measures being enacted because of deep antagonism between the party leadership and party members who are strongly opposed in fear of losing their seats in the lower house if the reforms are implemented.

All opposition parties have also vowed to fight the proposals, arguing that the introduction of the single-seat electoral system would perpetuate the LDP's hold on power.

The council first decided to approve the bills June 29 after two days of heated discussions.

Earlier on June 25 the election system reform council submitted a report of controversial plans redrawing the demarcation of 300 constituencies into 130 single-seat constituencies to Prime Minister Kaifu.

Former Health and Welfare Minister Junichiro Koizumi and other members had called for the decision to be declared null, and the resignation of Takeo Nishioka as chairman of the Executive Council for having pushed the bills through without a final vote.

At the Tuesday's resumed discussion, Nishioka apologized for his handling of the package at the earlier panel meeting and withdrew the June 29 approval of the bills.

Koizumi and former Labor Minister Toshio Yamaguchi then reiterated their opposition to the introduction of a single-seat constituency system.

They said political reform could be realized under the current medium-sized constituencies from which two or more candidates are elected.

However, council members finally approved the bills after Nishioka announced that party members would be allowed to freely debate the measures in the Diet.

## Mongolia

### Newspaper Reports Minus Economic Growth

*OW0907232791 Beijing XINHUA in English 1351 GMT 9 Jul 91*

[Text] Ulaanbaatar, July 9 (XINHUA)—Mongolia registered minus economic growth in the first six months of the year due to dwindling foreign aid and worsening social instability, the "PEOPLE'S RIGHT" newspaper reported today.

Industrial output decreased 3.9 percent in the first half of the year compared with the same period last year, and about half of the factories and enterprises failed to fulfill the sales quota set by themselves, the paper quoted an official communique as saying.

National revenue was down by 35.1 percent compared with that of the same period in 1990 while expenditure rose 33.1 percent, resulting in swelling budget deficit.

The two-way foreign trade volume plummeted 62.9 percent to only 328 million U.S. dollars, as a result of the collapse of the Comecon [Council for Mutual Economic Assistance] trade group and the practical stop of economic aid from the Soviet Union and other East European countries.

Meanwhile, the number of the new-born domestic animals was 301,800 less than the same period last year, the paper said.

On May 15, Mongolian National Development Minister Jamyangiyn Batsuuri urged foreign governments to offer emergency aid to his country, forecasting a nine percent drop in this year's national income as compared with 1990.

Financial aid was on the agenda of Mongolian President Punsalmaagiyn Ochirbat's January visit to the United States and Minister of External Affairs Tserenpiliyn Gombosuren's South Korean trip in March.

However, Premier Dashiyn Byambasuren stressed in early June that Mongolia has to rely on itself, saying that the country can never find a right path for its future development if it continues to depend on foreign aid. He said that the country's distorted economy was caused by the long dependence on foreign loans and aid.

The country is currently experiencing a shortage of raw materials and spare parts for machinery, as well as a shortage of consumer goods and food supplies.

In late March and early April, all Mongolian newspapers and magazines stopped publication for four days due to a shortage of newsprint.

In a bid to heal the country's ailing economy, Mongolia begun privatising state-own industries in June, except such vital sectors as railway, aviation, mining, fuel and power, public transport and post and telecommunications.

### PRC's Chen Junsheng Arrives for National Day

*OW0907185291 Beijing XINHUA in English 1159 GMT 9 Jul 91*

[Text] Ulaanbaatar, July 9 (XINHUA)—Chinese State Councilor Chen Junsheng arrived here today to attend the celebrations of the 70th anniversary of the Mongolian People's Revolution.

#### Meets President, Premier

*OW1007040091 Beijing XINHUA in English 0320 GMT 10 Jul 91*

[Text] Ulaanbaatar, July 9 (XINHUA)—Mongolian President Punsalmaagiyn Ochirbat expressed satisfaction today with growing relations between Mongolia and China.

Meeting with a Chinese Government delegation headed by State Councilor Chen Junsheng, Ochirbat said that the Mongolian people are earnestly looking forward to the visit of Chinese President Yang Shangkun, and believed the visit will have very great significance for the development of relations between the two countries.

Chen Junsheng said that China and Mongolia are friendly neighbors, and relations between them have developed very well over recent years. He continued that China is willing to further develop relations with Mongolia on the basis of equality and mutual benefit.

The Chinese delegation has also been met with respectively by Mongolian Premier Dashiyn Byambasuren and Chairman of the Central Committee of the Mongolian People's Revolutionary Party, Budragchaagiyn Dash-Yondon.

The Mongolian hosts expressed the hope to further strengthen economic cooperation between the two nations and expand relations between the two states and two parties.

The Chinese delegation arrived here today to attend the celebrations of the 70th anniversary of the Mongolian People's Revolution.

## North Korea

### Red Cross Delegation To Attend Seoul Meeting

*SK1007102791 Pyongyang KCNA in English 1011 GMT 10 Jul 91*

[Text] Pyongyang July 10 (KCNA)—Yi Song-ho, acting chairman of the Central Committee of the DPRK Red

Cross Society, today sent a telephone message to Kim Sang-hyop, president of the South Korean Red Cross.

Notifying him at the request of the North side's Headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon) that the North side's delegation will go to Seoul passing through Panmunjom at 10:00 A.M. on July 17 to participate in the second preparatory meeting for the pan-national rally for 1991 slated in Seoul on July 18, acting Chairman Yi hoped in the telephone message that the president of the South Korean Red Cross will convey this to the preparatory committee for the formation of the South side's headquarters of Pomminnyon in a responsible manner.

He also informed the latter that the delegation will be accompanied by ten reporters.

### Delegation Members Listed

*SK0907152691 Pyongyang KCNA in English 1513 GMT 9 Jul 91*

[Text] Pyongyang July 9 (KCNA)—The North side's headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon) formed the delegation to the second prepartory meeting for the '91 pan-national rally slated for July 18 in Seoul and made public its composition as follows:

Head: Chon Kum-chol, vice-chairman of the north side's headquarters of Pomminnyon (vice-chairman of the Committee for the Peaceful Reunification of the Fatherland [CPRF])

Delegate: Prof. and Dr. Son Chong-chol, central member of the headquarters (member of the C.C. [Central Committee], the Korean Social Democratic Party)

Delegate: Cho Sang-ho, central member of the headquarters (member of the C.C., the Chondoisto Chongu Party)

Delegate: Kim Son-ok, central member of the headquarters (vice-minister of reception of overseas compatriots)

Delegate: Chong Tok-ki, central member of the headquarters (section chief of the Secretariat of the CPRF)

The delegation will be accompanied by ten reporters.

### Safety Assurance Requested

*SK1007104891 Pyongyang KCNA in English 1017 GMT 10 Jul 91*

[Text] Pyongyang July 10 (KCNA)—Yun Ki-pok, chairman of the North side's Headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon), sent a telephone message today to Choe Ho-chung, "deputy prime minister and director of Unification Board" of South Korea.

Recalling that the first preparatory meeting for the second pan-national rally which was held in Berlin over June 29-30 reached an agreement on holding the second pan-national rally for peace and reunification of the country in Seoul from August 12 to 18 and holding the second preparatory meeting for it in Seoul on July 18, Yun Ki-pok said in his message:

I notify you that five delegates led by Chon Kum-chol, vice- chairman of the North side's headquarters of Pomminnyon, and ten reporters will go to your side's area through Panmunjom at 10:00 A.M. on July 17.

In this connection we will hand over the list of the members of our side to your side at the conference room of the Neutral Nations Supervisory Commission at Panmunjom at 10:00 A.M. on July 15 and I hope that the competent organ of your side will take this opportunity of handing over to our side a document guaranteeing the personal safety of our side's members.

## 29 Jun Break-In of Chonminnyon Office Denounced

*SK0407114791 Pyongyang KCNA in English 1012 GMT 4 Jul 91*

["Fascist Outrage Against Pro-reunification Patriotic Forces"—KCNA headline]

[Text] Pyongyang July 4 (KCNA)—The South Korean puppet Security Planning Board on the night of June 29 attacked the office room of the Coalition for National Democratic Movement (Chonminnyon) and seized a working plan for the pan-national rally, materials of regular meetings of the National Reunification Committee of Chonminnyon and documents from the overseas headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon), etc.

MINJU CHOSON in a commentary today brands this as a premeditated anti-reunification move to foil the second pan-national rally of Koreans in the North, the South and overseas and an unpardonable criminal act to destroy Chonminnyon.

The news analyst says:

The activities of Chonminnyon reflect the unanimous desire of all the fellow countrymen and their steadfast will to achieve national reunification in the 90s; they are good for the country and the nation and can never be regarded as a crime.

The surprise attack of the puppet Security Planning Board on the office room of Chonminnyon and the seizure of documents at night are a fascist outrage which can be committed only by the separatists who do not want reunification.

The No Tae-u ruling group must stop such acts of suppression as challenging the nation's aspiration for reunification and throwing a wet blanket over the ardent desire of the fellow countrymen for reunification and immediately set free the illegally arrested visitors to the North and patriotic students.

## No Tae-u's 'Prattling' at Talks in U.S. Viewed

*SK0907062591 Pyongyang KCNA in English 0522 GMT 9 Jul 91*

["Frivolous Dream"—KCNA headline]

[Text] Pyongyang July 9 (KCNA)—MINJU CHOSON today denounces No Tae-u for prattling at the "talks" with Bush during his U.S. trip that he hoped "change of the world would come to the Korean peninsula" and the United States would actively support "unification under the auspices of South Korea". The news analyst says: As the question of Korea's reunification is that of the Korean people themselves, its undertaker is our people and the master of its solution is our nation.

This notwithstanding, the traitor No entreated the U.S. master to more actively meddle in the internal affairs of the nation, which can be done only by the vicious flunkeyist traitor.

The "change of the world" he mouthed at the "talks" means the imperialists' strategy of "peaceful transition" and his entreaty for support to "unification under the auspices of South Korea" is an entreaty for support to the "policy of unification by absorption" toward North.

The No group showed no sincerity at talks with fellow countrymen, but asked for outside interference in a bid to force its will upon its opponent. This is an expression of flunkeyist nature and splittist stand and an open manifestation of the moves to realise "unification by prevailing over communism".

But the South Korean rulers' design to achieve "unification by prevailing over communism" is a daydream whicn can not come true any time.

The traitor No should not dream of "unification by prevailing over communism" but step down from power as unanimously demanded by people.

## Head of Lawyers Group Views U.S. Nuclear Stand

*SK0507052891 Pyongyang KCNA in English 0451 GMT 5 Jul 91*

[Text] Pyongyang July 5 (KCNA)—The Democratic People's Republic of Korea, a nuclear-free state, has an undisputed legitimate right to demand that the U.S. imperialists remove the nuclear threat against it and commit themselves to nuclear safeguards and the United States, a nuclear state, has an unavoidable legal obligation to respond to our demand in accordance with the nuclear non-proliferation treaty.

Choe In-ki, secretary general of the Korean lawyers association, said this in his statement issued to the press on July 4 clarifying the justness of our stand in the joint statement of the political parties and public organizations of the Democratic People's Republic of Korea.

He said that demand of the U.S. imperialists for unilateral "nuclear inspection" of the DPRK is another shameless act committed by them today when they cannot find any longer an excuse to justify the presence of their nuclear weapons in South Korea and a mean criminal intrigue to invent a pretext to impose nuclear calamities upon the Korean people and the Asian people.

Declaring that we have no nuclear weapons and have neither intention nor capacity to develop them, he said: The United States is getting frantic in spreading false rumours that we are "developing them" while resorting to the disgraceful smear campaign against us in league with the South Korean puppets, Japan and other satellite states. It is the height of impudence and high-handed interference in our people's sovereignty.

He stressed that if the United States truly wants the removal of nuclear threat, it must eliminate the factors of nuclear threat against the DPRK, make a legal commitment to nuclear safeguards, open to the public the nuclear weapons and bases in South Korea and allow a simultaneous international inspection of them.

## Withdrawal of Nuclear Weapons in Asia Urged

*SK0907110191 Pyongyang KCNA in English 1024 GMT 9 Jul 91*

["There is no Justification for Keeping Nuclear Weapons in South Korea"—KCNA headline]

[Text] Pyongyang July 9 (KCNA)—NODONG SINMUN today stresses that the United States has no justification for keeping nuclear weapons in South Korea.

Recalling that U.S. expert of Asia affairs Prof. Scalapino, former president of California University; Taylor, deputy director of the U.S. Centre for Strategic and International Studies; Crowe, former chairman of the U.S. Joint Chiefs of Staff; and Laroque, director of the U.S. Defence Information Centre who have been involved in the U.S. global strategy, Asia-Pacific strategy and policy toward Korea and personally visited the North and the South of the Korean peninsula, asserted that it is unnecessary to deploy nuclear weapons in South Korea, the news analyst of the paper says:

Their remarks draw attention in the sense of the views of U.S. experts in military affairs, information and foreign policy.

The assertion of the U.S. experts admits that the deployment of nuclear weapons in South Korea do so harm but not any good for the United States. This means that the U.S. pretext for the preservation of nuclear weapons in South Korea is invalid.

One of the pretexts was to "deter the downward thrust" of the Soviet Union.

It is reported that the Soviet-U.S. relations transferred from confrontation to detente and both sides do not regard the other side as "enemy" any longer. Under such condition, the United States has no reason to keep nuclear weapons in South Korea.

If the U.S. claim for nuclear disarmament, detente and peaceful solution of disputes is true, there is no need for the United States to keep more than 1,000 pieces of nuclear weapons in South Korea.

The U.S. authorities, however, are trying to keep them in South Korea, motivated by their wild ambition to keep hold on South Korea as a nuclear forward base largest in the Far East, not for "security" in this region, ignite a nuclear war on the Korean peninsula and realize their domination over Asia.

They need another shocking pretext to avoid the withdrawal of nuclear weapons from South Korea and justify their nuclear war policy. It is just a fictitious "nuclear threat from North Korea".

The U.S. advertizement about "nuclear threat from North Korea" does not convince any one but becomes a laughingstock to those who have common sense. It is because the fictitious "nuclear threat from North Korea" is utterly preposterous.

The United States' loud advertisement about bogus "nuclear threat from the North" only proves that there is no justification for the United States to keep nuclear weapons in South Korea.

If the United States truly wants detente and peace on the Korean peninsula, it should lend an ear to voices of public circles of the United States, reexamine its policy toward Korea and withdraw nuclear weapons for South Korea.

## Announced U.S. Troops Cutback in South Viewed

*SK1007061491 Pyongyang KCNA in English
0525 GMT 10 Jul 91*

["What Does U.S. "Troop Cutback Plan" Show"—KCNA headline]

[Text] Pyongyang July 10 (KCNA)—The "troop cutback plan" of the U.S. imperialists is neither a plan for the total withdrawal of the U.S. troops nor a plan for peace on the Korean peninsula, but a readjustment plan to qualitatively strengthen the U.S. forces with new military equipment and technologies following the reduction of a negligible personnel engaged in subsidiary fields and increase their "efficiency."

NODONG SINMUN today says this in a commentary on the "plan" of the U.S. authorities to withdraw some 7,000 troops from South Korea by 1995.

The news analyst says:

If this "reduction plan" is true, it can be said that the U.S. authorities showed a sign of stepping back from their bigotted stand that there can never be reduction of the U.S. troops in South Korea.

But, their "cutback plan" is not intended at all to put an end to the U.S. military occupation of South Korea.

The plan only defines the scale and period of the first-stage reduction and never mentions the period and scale of the next-stage reduction, especially the last stage of the withdrawal.

The time of the first-stage reduction was originally 1992 but it was extended to 1995.

This fact shows that they intend to withdraw some troops in the first stage and keep the rest in South Korea.

Their plan is not designed to ease the tension and remove the danger of war on the Korean peninsula, either.

The reduction includes mostly "logistic personnel". None of the main combat personnel and nuclear weapons are included in it.

This shows that though the U.S. authorities pay lip service to "confidence building" and "detente", they intend to keep the main forces of aggression in South Korea.

The U.S. imperialists scheme to keep their troops and nuclear weapons in South Korea, rely on them in threatening and containing the DPRK with strength and increase nuclear blackmail against the Asian people.

The U.S. troops and nuclear weapons must be withdrawn from South Korea at once for peace and peaceful reunification of Korea as well as for peace and security in Asia.

## PRC Delegation Concludes Visit 4 Jul

*SK0407111591 Pyongyang KCNA in English
1041 GMT 4 Jul 91*

[Text] Pyongyang July 4 (KCNA)—The delegation of the National Committee of the Chinese People's Political Consultative Conference led by its Vice-Chairman Qian Zhengying left for home today after its eight-day visit to Korea.

It was seen off at Pyongyang Railway Station by Presidium member Yo Yon-ku and director of the Secretariat Yu Ho-chun of the Central Committee of the Democratic Front for the Reunification of the Fatherland and Chinese Ambassador to Korea Zheng Yi.

## PRC Trade Union Group Sends Message of Support

*SK0607151091 Pyongyang KCNA in English
1457 GMT 6 Jul 91*

[Text] Pyongyang July 6 (KCNA)—The All-China Federation of Trade Unions, in a message to the Central Committee of the General Federation of Trade Unions of Korea marking the 41st anniversary of the start of the Fatherland Liberation War, expressed support to the just struggle of the Korean people for the independent and peaceful reunification of the country.

The message said:

President Kim Il-song in his New Year address proposed to realise the reunification of Korea through a confederacy based on one nation, one state, two systems and two governments.

The working people of China and the All-China Federation of Trade Unions have always maintained the stand that the reunification of Korea must be realised through dialogue and negotiation between the North and the South without outside interference and the United States must withdraw all its troops and military bases from South Korea.

The workers and other people of China will express support as ever to the just struggle of the fraternal Korean people and workers for the independent and peaceful reunification of the country.

We firmly believe that the Korean people and workers will certainly overcome all the difficulties and trials on the road of accomplishing the cause of national reunification through indomitable staunch struggle.

## Anniversary of PRC Friendship Treaty Marked

### Yi Cha-pang Speaks at Meeting

*SK1007065191 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 8 Jul 91*

[Text] The opening meeting of a week of Korean-Chinese friendship was held at the international film hall in Pyongyang on the evening of 8 July. Placed in the forefront of the meeting site were the flag of our country and the flag of the PRC. Invited to the meeting were Zheng Yi, PRC ambassador extraordinary and plenipotentiary to our country; officials of the PRC Embassy; members of the delegation of the Chinese People's Association for Friendship with Foreign Countries and the Chinese-Korean Friendship Association; and Chinese guests.

The meeting was attended by Chong Chun-ki, chairman of the Committee for Cultural Relations with Foreign Countries of Korea; Yi Cha-pang, chairman of the State Commission of Science and Technology and chairman of the Central Committee of the Korean-Chinese Friendship Association; Kim Chae-pong, deputy director of a department of the Central Committee of the Workers' Party of Korea; Kim Kwang-chin, general of the Korean People's Army; Cha Pong-chu, vice-minister of the Minitry of Foreign Affairs; and other functionaries concerned, together with the working people in the city. Chairman Yi Cha-pang spoke at the meeting saying: Today, at a time when Korean-Chinese friendship is flowering more brilliantly, we hold a meeting opening a week of Korean-Chinese friendship and extend enthusiastic congratulations and warm greetings to the fraternal Chinese people.

Chairman Yi Cha-pang continued:

[Begin Yi Cha-pang recording] The Korean-Chinese Treaty of Friendship, Cooperation, and Mutual Assistance signed on 11 July 1961 was an epochal event which further consolidated the fraternal relations of friendship and cooperation forged in blood between the people of the two countries of Korea and China and developed them on a new higher stage. For the past 30 years since the treaty was signed the friendly and cooperative relations between the people of the two countries have been further strengthened and developed in all fields, including the political, economic, cultural, and military fields.

For the past 30 years the treaty has made great contributions to further strengthening the Korean-Chinese friendship provided by the leaders of the two countries, to accelerating socialist construction in the two countries, to defending the gains of the revolution, and defending peace in Asia and the rest of the world. [applause]

As the leaders of the two countries of Korea and China have always emphasized, the relations between our two countries are not the usual [potong] relations which generally exist between countries, but the special [tuksuhan] friendly relations. The Korean-Chinese friendship is the friendship which can exist only between genuine friends, and its invincibility has already been proven through our everyday lives. Strengthening and developing the Korean-Chinese friendship is the firm will which has taken root deep in the minds of the people of and the lands of the two countries.

Our people rejoice over the fact that the traditional Korean-Chinese friendship is flowering further and developing with each passing day, and they are filled with the firm determination to consolidate and develop these relations of friendship, generation after generation.

Today, the fraternal Chinese people, under the leadership of the Communist Party of China [CPC] with respected Comrade Jiang Zemin as its core, have attained great success in the struggle to consolidate the political phase of stability and unity, to maintain the "one centre, two main points," and to build socialism with Chinese characteristics. [applause]

Upholding the decisions of the seventh plenary session of the 13th CPC Central Committee and the fourth meeting of the seventh national people's congress in response to the party's call the Chinese people are vigorously launching the struggle to fulfill the 10-Year National Economic and Social Development Plan and the programs of the Eighth Five-Year Plan. The PRC has greatly contributed to the cause of peace in Asia and the rest of the world by continuing to adhere to its independent, sovereign, and peace-loving foreign policy, and its international prestige is increrasing with each passing day.

Our people rejoice more than anyone else over the fact that China, their reliable (?friendly country), is advancing victoriously. We sincerely wish the Chinese people greater success in their future struggle to build a rich, democratic, civilized, modernized, and powerful socialist country under the correct leadership of the CPC. Along with this, we also extend full support for and firm solidarity with the efforts of the Chinese party, government, and people to achieve the country's reunification under the conception of peaceful reunification and one country and two systems. [applause]

In conclusion I sincerely wish the fraternal Chinese people new success in their struggle for socialist modernization and for reunification of the whole country. [applause] [end recording]

Ambassador Zheng Yi spoke at the meeting saying: It is our pleasure to have established the week of Chinese-Korean friendship on the occasion of the 30th anniversary of the signing of the Chinese-Korean Treaty of Friendship, Cooperation, and Mutual Assistance, a festive time for the people of the two countries of China and Korea, and I extend warm thanks to the fraternal Korean people.

He continued:

[Recording in Chinese fading into Korean translation] Thirty years ago Comrade President Kim Il-song, the great leader of the Korean people, and Comrade Premier Zhou Enlai, the respected and beloved leader of the Chinese people, signed the Chinese-Korean Treaty of Friendship, Cooperation, and Mutual Assistance, which is of vital historic significance in [word indistinct]. Thus, they legally fixed the relations of friendship and cooperation forged by the people of the two countries of China and Korea in their protracted (?revolutionary) struggle. The signing of the treaty recorded a brilliant chapter in [word indistinct] of the two countries. It also showed that the relations of friendship and cooperation between the two countries entered a new stage.

Over the past 30 years the two countries, China and Korea, have developed in-depth exchanges and cooperation in the political, economic, cultural, scientific, technological, and other fields. We have attained numerous successes in the cooperation in various fields by studying and helping each other and by respecting and supporting each other. Thus, we have vigorously pushed ahead the common prosperity of the cause of socialism of the two countries.

During this period the leaders of the two countries exchanged frequent visits and held talks. Thus, they have greatly contributed to further strengthening the relations of friendship and cooperation between the two parties, between the two countries, and between the two peoples of China and Korea.

Today when we celebrate the 30th anniversary of the signing of the Chinese-Korean Treaty of Friendship, Cooperation, and Mutual Assistance, we are very satisfied with the fact that the Chinese-Korean friendship—endowed and fostered by the leaders of the two parties and the two countries of China and Korea and which has surmounted the trials of the protracted revolutionary struggle—has been constantly consolidated and strengthened. At the same time, we are filled with faith in and hope for the future of the Chinese-Korean friendship. [applause]

The Chinese people are deeply interested in the cause of the revolution and construction of the Korean people. The fraternal Korean people have continuously made brilliant achievements in socialist construction through self-reliance and fortitude, upholding the red banner of the three revolutions, under the leadership of their great leader Comrade President Kim Il-song and the Workers' Party of Korea. We rejoice over all achievements that the Korean people have registered and sincerely wish the Korean people new and greater victory in their struggle to fulfill the Third Seven-Year National Economic Development Plan. [applause]

The Chinese Government and people consistently and resolutely support the Korean people's just struggle to alleviate the tense situation on the Korean Peninsula and to achieve the independent and peaceful reunification of the country. They support Comrade President Kim Il-song's proposal for reunification through a confederal system on the basis of one nation, one state, two systems, and two governments. They also support the Korean people's just stand which calls for the withdrawal of U.S. forces from South Korea. [applause]

Korea's reunification is the trend of the times and the desire of the people of the world which no force can check. We firmly believe that the Korean people will certainly achieve the final victory of national reunification whatever difficulties may lie ahead.

The Chinese party and government have consistently attached importance to the development of Chinese-Korean friendship and have made all possible efforts for it. We believe that through grand functions celebrating the 30th anniversary of the signing of the Treaty of Friendship, Cooperation, and Mutual Assistance the Chinese-Korean friendship will take roots deeper in the minds of the people and the cause of Chinese-Korean friendship will develop on a new higher stage. [applause]

### Armed Forces Ministry Meeting

*SK1007055991 Pyongyang KCNA in English 0501 GMT 10 Jul 91*

[Text] Pyongyang July 10 (KCNA)—A meeting of the Ministry of People's Armed Forces was held on July 9 at the unit of the Korean People's Army [KPA] to which Comrade Ok Pong-nin belongs to mark the 30th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance.

Invited to the meeting were Chinese Ambassador to Korea Zheng Yi and other Chinese guests.

Chief of the General Staff of the Korean People's Army Choe Kwang, General Kim Kwang-chin and other generals and officers and men of the KPA were present at the meeting.

In his speech at the meeting, General Kim Kwang-chin said:

Over the past three decades since the conclusion of the Treaty, the peoples of the two countries have expanded and strengthened friendship and cooperation in political, economic, cultural and other fields.

The peoples and Armies of the two countries have jointly overcome trials, jointly fought bloody battles and shared weal and woe for the common purpose and ideal.

Mutual visits of the party and state leaders of the two countries in recent years are events of great importance in strengthening and developing further the Korea-China friendship as required by the present situation.

The Chinese people under the leadership of the Communist Party of China with respected Comrade General Secretary Jiang Zemin at the core are registering enormous successes in the efforts to build socialism with Chinese characteristics while firmly adhering to the four cardinal principles.

We will remain true as ever to our obligations under the treaty and always fight shoulder to shoulder with the fraternal Chinese people and Army in the struggle for peace and victory of the cause of socialism.

Speaking next, Military Attache of the Chinese Embassy Yin Guangtao said that the signing of the China-Korea Treaty of Friendship, Cooperation and Mutual Assistance codified the friendly and cooperative relations between the peoples of the two countries and opened a new chapter in the development of friendship between China and Korea.

Referring to the enormous achievements made by the fraternal Korean people in the country's construction in the spirit of self-reliance and hard work for scores of years following the banner of socialism under the leadership of their great leader President Kim Il-song and the Workers' Party of Korea, he noted that they are confidently advancing along the road of socialism under the uplifted banner of the three revolutions, ideological, technical and cultural.

We unswervingly support the proposals of the DPRK Government for the withdrawal of the U.S. troops and the conversion of the Korean peninsula into a nuclear-free zone, he said.

However the world situation may change in the future, he declared, the Chinese people and People's Liberation Army will make every possible effort to defend the common cause of socialism and the peace in Asia and the rest of the world, closely uniting and cooperating with the Korean people and Army in the spirit of the treaty.

### Photo, Film Show Mark Anniversary

*SK1007055591 Pyongyang KCNA in English 0448 GMT 10 Jul 91*

[Text] Pyongyang July 10 (KCNA)—A photo exhibition opened and a film show took place at the Chollima House of Culture on July 9 on the occasion of the 30th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance.

Present there on invitation were Chinese Ambassador to Korea Zheng Yi, officials of the Chinese Embassy, the delegation of the Chinese People's Association for Friendship With Foreign Countries (CPAFFC) and the China-Korea Friendship Association headed by Han Xu, president of the CPAFFC, and other Chinese guests.

Chong Chun-ki, chairman of the Committee for Cultural Relations With Foreign Countries; Kwon Min-chun, vice-director of a department of the Central Committee of the Workers' Party of Korea; Kim Kwang-chin, vice-minister of People's Armed Forces; Cha Pong-chu, vice-minister of foreign affairs; U Ki-nam, vice-minister of commerce and vice-chairman of the Central Committee of the Korea-China Friendship Association; and other officials concerned and working people in the city were present on the occasion.

The participants saw round photographs showing the traditional friendship and solidarity forged between the peoples and Armies of Korea and China and achievements made by the Chinese people in various domains of socialist construction including politics, economy and culture.

Then they saw a Chinese feature film.

### Kim Il-song Sends Greetings

*SK1007111291 Pyongyang KCNA in English 1024 GMT 10 Jul 91*

[Text] Pyongyang July 10 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message of greetings today to Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, Comrade Yang Shangkun, president of the People's Republic of China, and Comrade Wan Li, chairman of the Standing Committee of the National People's Congress of the PRC, on the occasion of the 30th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance.

President Kim Il-song said:

The signing of the Treaty of Friendship, Cooperation and Mutual Assistance between Korea and China marked an important occasion in consolidating and developing the Korea-China friendship sealed in blood to a new, higher stage and greatly contributed to defending the gains of the revolution and promoting socialist construction in our two countries, safeguarding peace in Asia and the rest of the world.

The Korean people note with joy the great progress made by the Chinese people today in their efforts to build socialism with Chinese characteristics by maintaining the four cardinal principles and deepening the reform and openness under the leadership of the Commmunist Party of China with Comrade Jiang Zemin at the core and express firm solidarity with you in the cause of consolidating the nation's international position and reunifying the whole country.

I take this opportunity of expressing the belief that the traditional relations of friendship and cooperation between our two parties, two countries and two peoples would consolidate and develop day by day in the spirit of the Korea-China Treaty of Friendship, Cooperation and Mutual Assistance.

President Kim Il-song in conclusion sincerely wished the party and state leaders and the people of China greater success in their efforts to step up the modernisation of the country and defend peace under the banner of socialism.

### PRC Sends Greetings

*SK1007111591 Pyongyang KCNA in English 1030 GMT 10 Jul 91*

[Text] Pyongyang July 10 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, and Comrade Yon Hyong-muk, premier of the Administration Council, received a message of greetings sent today in joint name by Comrade Jiang Zemin, general secretary of the C.C. [Central Committee], the Communist Party of China, Comrade Yang Shangkun, president of the People's Republic of China, Comrade Wan Li, chairman of the Standing Committee of the National People's Congress of the PRC, and Comrade Li Peng, premier of the State Council of the PRC, on the occasion of the 30th anniversary of the signing of the Treaty of Friendship, Cooperation and Mutual Assistance between the PRC and the DPRK.

The signing of the China-Korea Treaty of Friendship, Cooperation and Mutual Assistance was an event of weighty significance in the history of China-Korea friendly relations, the message says, stressing that the practice proves that the treaty has overcome trials of changes in the international situation and has a strong vitality.

It continues:

We are pleased to see the enormous successes the industrious and valiant Korean people have scored in socialist construction through self-reliance and hard work under the leadership of their great leader President Kim Il-song and the Workers' Party of Korea.

As the Korean party and Government have adhered to the foreign policy of independence, friendship and peace, the relations of friendship and cooperation with peoples of many countries are growing stronger with each passing day.

In recent years the situation on the Korean peninsula is developing in favour of the people and detente.

This is a result of the strenuous efforts made by the Korean party and Government.

China and Korea are in lips-and-teeth relationship, with their mountains and rivers contiguous to each other, and the common destiny and ideal firmly link our two peoples into one.

Very pleased and satisfied with the constant development of the China-Korea friendship, the Chinese party, Government and people will, as in the past, so in the future, too, make every possible effort to continuously strengthen and develop these friendly relations.

## Pyongyang WPK Delegation Departs for Moscow

*SK0407110091 Pyongyang KCNA in English*
*1039 GMT 4 Jul 91*

[Text] Pyongyang July 4 (KCNA)—A delegation of the Pyongyang Municipal Committee of the Workers' Party of Korea headed by Chong Yong-yong, secretary of the committee, left here today by air for a visit to Moscow.

A delegation of officials of the Soviet Committee for Promoting Korea's Reunification headed by Aksutina Rimma, chairman of the Bukhara City, Uzbekistan of the Soviet Union, Committee for Promoting Korea's Reunification, a delegation of the Sakhalin Regional Committee for Supporting Korea's Peaceful Reunification headed by its Chairman Kwon Chon-sik, home-visiting groups of Koreans in the Soviet Union and a home-visiting group of Korean students in the Soviet Union arrived here by air.

## Kim Il-song Sends Message to Yasir 'Arafat

*SK0607041491 Pyongyang KCNA in English*
*0357 GMT 6 Jul 91*

[Text] Pyongyang July 6 (KCNA)—President Kim Il-song of the Democratic People's Republic of Korea sent a message on July 3 to Yasir 'Arafat, president of the state of Palestine and chairman of the Executive Committee of the Palestine Liberation Organization (PLO), in reply to his message of solidarity supporting the proposals of Korea to found a confederal republic and to enter the United Nations.

In his reply President Kim Il-song said that the invariable active support and militant solidarity of the PLO and the Palestinian people for the proposals and overtures of the DPRK including the proposal for reunification through confederacy greatly inspire the Korean people in the struggle for the independent and peaceful reunification of the country.

He wished the Palestinian president and the PLO and the Palestinian people greater success in their struggle to put an end to the Israel's occupation of the territory and holy places of Palestine and achieve freedom and independence.

## Graduation Held at Korea-Cuba Friendship School

*SK0607153491 Pyongyang KCNA in English*
*1515 GMT 6 Jul 91*

[Text] Havana July 4 (KCNA) - The second term graduation ceremony of the Cuba-Korea Friendship School was held in Youth Island on June 25.

The chairman of Youth Island National Assembly of People's Power said in his congratulatory speech that the students of the Cuba-Korea friendship school set an excellent example to the foreign and Cuban school children in organization, discipline and study.

It was entirely thanks to the meticulous teachings of the respected comrade President Kim Il-song that the students of Korea have grown up to be able men with unusual talents, he said, adding:

The peoples of Cuba and Korea are the class brothers struggling in one and the same trench to achieve a common goal.

Although the situation is complex, Cuba and Korea are advancing with confidence along the road of socialism as they are led by comrade Fidel Castro and comrade President Kim Il-song, the great leaders.

## Cuban Organization Holds Solidarity Meeting

*SK0507045291 Pyongyang KCNA in English*
*0439 GMT 5 Jul 91*

[Text] Pyongyang July 5 (KCNA)—A meeting for solidarity with the Korean people was held in Havana on June 28 under the sponsorship of the Organisation of Solidarity of the Peoples of Africa, Asia and Latin America to mark the month of anti-U.S. joint struggle.

It was attended by Rene Anillo Capote, secretary general of the organisation, members of the executive secretariat of the organisation, officials of party and government organs of Cuba and delegates of parties and organisations of different countries in Cuba.

The statement adopted at the meeting said:

The DPRK Government proposed to convert the Korean peninsula into a nuclear-free, peace zone and demanded that nuclear inspection be made simultaneously of the North and the South.

We warmly support the just demand of the Korean people.

We call on all the progressive governments, political parties and organisations of the world to lift up voices denouncing the No Tae-u "government's" fascist outrage in arresting woman student Yim Su-kyong and the Rev. Mun Ik-hwan.

We demand the complete withdrawal of the U.S. troops from South Korea, the removal of the concrete wall and the immediate release of woman student Yim Su-kyong and the Rev. Mun Ik-hwan and reaffirm our full support to the peaceful reunification of Korea.

## Kim Il-song Receives Mozambican Delegation

*SK0907110591 Pyongyang KCNA in English 1047 GMT 9 Jul 91*

[Text] Pyongyang July 9 (KCNA)—The great leader President Kim Il-song today received the military delegation of the Republic of Mozambique headed by Eduardo Da Silva Nihia, member of the Political Bureau of the Central Committee of the Mozambique Liberation Front Party and vice-minister of National Defence and director of the General Political Department, on a visit to Korea.

Present on the occasion were Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief of the general staff of the Korean People's Army [KPA], and Colonel General Yi Pong-won of the KPA.

The head of the delegation conveyed a personal letter of Mozambican President Joaquim Alberto Chissano to President Kim Il-song.

President Kim Il-song had a conversation with the guests in a cordial and friendly atmosphere.

He was presented with a gift by them.

## Choe Kwang Accepts Gift for Kim Chong-il

*SK0907112391 Pyongyang KCNA in English 1055 GMT 9 Jul 91*

[Text] Pyongyang July 9 (KCNA)—The dear leader Comrade Kim Chong-il received a gift from the visiting military delegation of Mozambique.

The gift was handed to Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea and chief of the general staff of the Korean People's Army, by the head of the delegation Eduardo Da Silva Nihia, member of the Political Bureau of the Central Committee of the Mozambique Liberation Front Party, vice-minister of National Defence and director of the General Political Department.

## Symposium Marks Kim Chong-il Sports Publication

*SK0507021091 Pyongyang KCNA in English 2238 GMT 4 Jul 91*

[Text] Pyongyang July 4 (KCNA)—A symposium was held at the Grand People's Study House on July 4 to commemorate the 5th anniversary of the publication of "On Popularizing Sports and Rapidly Developing Sports Technique", a work of the dear leader Comrade Kim Chong-il.

Kim Yu-sun, chairman of the State Commission of Physical Culture and Sports, and sports officials took the floor.

The speakers pointed out that "On Popularizing Sports and Rapidly Developing Sports Technique", a talk of the dear leader Comrade Kim Chong-il with sports officials on May 19, 1986, serves as a great programme clearly indicating the road ahead of chuche sports for the truthfulness, profoundness, universality, perfection and uniqueness of its contents.

The work, they said, expounded with originality the principles and methods of sports for further increasing the position and role of man on the basis of the philosophical principle of the chuche idea.

The work stresses the need to popularise sports and make it an inseparable part of life in keeping with the requirements of the socialist society and comprehensively expounds the tasks and ways for carrying this into practice, thus providing a guiding compass for the physical training and promotion of health of the entire people and for the rapid development of sports technique.

The work also gives comprehensive answers to questions arising in the development of sports technique—the teaching and training and games, studies of sports science, the training of sports officials and players and modernisation of sports apparatuses and facilities in keeping with he trend of the development of modern sports and spots exchanges with other countries. Thus it provides an ideological and theoretical guarantee for basing our sports on modern science and rapidly developing all the techniques to the world level, the speakers stressed.

## Yi Chong-ok at Symposium on Kim Chong-il Work

*SK1007053891 Pyongyang KCNA in English 0452 GMT 10 Jul 91*

[Text] Pyongyang July 10 (KCNA)—A central symposium on "Our Socialism for the People Will Not Perish", a work of the dear leader Comrade Kim Chong-il, was held at the People's Palace of Culture on July 9.

Present there were Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and vice-president, Choe Tae-pok, alternate member of the Political Bureau and secretary of the WPK Central Committee, and officials concerned.

The speakers said that the work, on the basis of the great chuche idea, gives a scientific exposition of the essence and characteristics, advantages and vitality of Korean-style socialism for the people and the source of its invincible strength.

They explained that the work is an immortal revolutionary banner which indicates the road to the victory of the socialist cause.

This is firstly because the work flawlessly expounds that socialism of Korean style based on the chuche idea can firmly ensure the victory of the socialist cause, they said.

The dear leader Comrade Kim Chong-il has said:

"Socialism in our country is the socialism of our own style, that is the application of the great chuche idea and that is centred upon the popular masses".

Expounded in the work in a comprehensive way is that Korean-style socialism for the people, an embodiment of the chuche idea, is socialism which is deeply rooted among the popular masses with solid and broad social and class foundations, socialism which accords with the intrinsic demands of man and in which the relations of unity and cooperation is in bloom and socialism which defends also the rights of the country and the nation to independence and the desire of the world people for independence, the speakers stated, and continued:

The work is an immortal revolutionary banner which illumines the road to the victory of the socialist cause next because it shows a practical example of socialism comprehensively and profoundly by fully systematising the advantages and vitality of socialism of Korean style.

The work profoundly proves on a scientific and theoretical basis the superiority and vitality of Korean-style socialism in which all the people enjoy an independent and creative life to their hearts' content as the true masters of political, economic and cultural life, in sharp contrast to the capitalist society ruled by small exploiting classes.

The work is an immortal revolutionary banner which illumines the road to the victory of the socialist cause next because it expounds the secret of the solidity and invincibility of socialism of Korean style.

This secret lies in the singlehearted unity of the leader, the party and the masses, the speakers pointed out, and stressed that the guidance of the leader is a decisive guarantee for achieving singlehearted unity.

To firmly ensure the leadership of the party is a question of principle for attaining the singlehearted unity of the leader, the party and the masses, they said.

They stressed that the work expounds the theory of the chuche-based party building in a systematic and comprehensive way on the basis of a review of the historical experience of the building of our party.

## Education for Enterprise Management Viewed

*SK0907131991 Pyongyang Korean Central Broadcasting Network in Korean 0007 GMT 30 Jun 91*

[NODONG SINMUN 30 June special article by Kim Kuk-hun (president of the University of National Economics): "Deepening and Developing the Work of Nurturing Economic Management Functionaries for Regularizing the Enterprise Management According to the Demand of the Taean Work System"]

[Text] Today, our functionaries and party members are facing an important task to even more thoroughly apply the Taean work system—the economic management system of our own style.

The Taean work system which the great leader Comrade Kim Il-song established in the early 1960's by embodying the immortal chuche idea is the most superior economic management system. By this system, it is possible to implement the mass line in the economic management, correctly marrying the party guidance with the administrative, economic, and technological guidance, helping the producers fulfill their responsibility and play their roles as masters, and managing the economy in a scientific and effective manner.

The establishment of the Taean work system was a revolution in the economic management, which effected a fundamental shift to the socialist and communist economic management system from the obsolete economic management system of the past under which the remnants of capitalism still existed.

It is a result of the wise leadership of the great leader, that the Taean work system is now displaying an everlasting vitality as the chuche-oriented economic management system, and is becoming even more superior with each passing day.

The great leader has so wisely led us, that we apply the Taean work system thoroughly, displaying the superiority and possibilities of the socialist economy which is based on the principle of collective ownership, and effecting a new turn in guiding and managing the socialist economy.

It is very important in displaying the superiority of the Taean work system that the great leader Comrade Kim Il-song worked out the unique policy on the regularization of the enterprise management and has energetically led the struggle to put it into practice.

The great leader Comrade Kim Il-song has taught: To correctly manage and operate the socialist economy, the ideological consciousness of the economic guidance functionaries and working people should be enhanced, and they should be made to struggle with high consciousness and responsibility. In addition, strict discipline and order should be made essential in the economic management to make the functionaries and working people work systematically according to the consistent rules.

The establishment of a new economic management system is an improvement in the work of the economic management functionaries and an upgrade in the level of guidance.

The great leader early on found the way of displaying the superiority of the Taean work system, in the method of the work of the economic management functionaries, in the level of their guidance, in the order and method of the economic management—according to the demand of the new situation under which the socialist reorganization of the relations of production was being carried out and the management system was being restructured—and put forth the policy on the regularization of the enterprise management.

The great leader Comrade Kim Il-song's speech at the report meeting marking the 20th anniversary of the founding of the University of National Economics "On Properly Carrying Out the Education Work for Regularizing the Enterprise Management" and his many other works give comprehensive elucidations about the problems of theory and practice which arise in regularizing the enterprise management, and, in particular, about the specific direction and method of the education for the regularization.

The policy on the regularization of the enterprise management which the great leader Comrade Kim Il-song worked out is what has been embodied in the shining tradition of the regularization of the units during the anti-Japanese revolutionary struggle and the precious experience gained in the economic construction following the liberation according to the characteristics of the socialist economic management.

The regularization of the enterprise management is the regularization of the management and operation system—the system of the economic management functionaries' activities. It is represented by a strong disciplinarian system in economic management meshing with the characteristics of the socialist society which is based on collectivism. So it is a means to strengthen the socialist economic management system and to display its might.

Thanks to the establishment of the policy on the regularization of the enterprise management, we have come to have the systematized economic management rules in which the chuche-oriented economic management ideas, principles, system, and method are elucidated. At the same time, we have come to completely systematize the enterprise management, and make all functionaries and working people act as one. All management and operational tasks, including those of the individual enterprise management areas of enterprises and of the general areas of the management and operation of the people's economy, have come to be carried out in a regular manner in accordance with the rules of management and the established system and order. At the same time, the functionaries have come to think and act as one in accordance with their mission and the rules specified in the management regulations and firmly guarantee consistency in management activities.

For its perfect system and order, the Taean work system is displaying its lofty genuine superiority. Precisely, this is the great vitality of the policy on the regularization of the enterprise management.

The great leader Comrade Kim Il-song energetically led the struggle to regularize the enterprise management in accordance with the situation in which the socialist construction was advancing and in which the economic construction was entering the period of new development.

In our country, as the technological revolution accelerates, and as the economy develops rapidly, the requirement to guarantee the high spirit of system, discipline, science, and competency has become even more urgent in the area of the enterprise management to guide the working people's activities of production and economy.

With the deep insight into the demand of the developing reality, the great leader placed great emphasis on nurturing politically and practically prepared able management functionaries to further deepen and develop the overall regularization of the enterprise management.

The complete application of the Taean work system is possible by a perfect system and order and by the level of the management of the management functionaries.

By nurturing the economic management functionaries familiar with the economic management rules, who are able to manage and operate the economy in accordance with the demand of the regulations, the great leader has ensured that the problems of the methods of the economic management functionaries and the enhancement of their level are properly solved.

What is important in this regard is that he made it possible to effect a revolutionary turn in the education on the regularization of the enterprise management and in nurturing the economic management cadres of the state.

The education on the regularization of the enterprise management is to nurture the economic management functionaries to manage and operate the economy according to the chuche-oriented socialist economic management system and the economic management rules.

The education on the regularization of the enterprise management essentially requires practical education based on the management rules and needs to place emphasis on making people learn the enterprise management method in actual performance. It is also a perfect system to educate the economic management cadres of all sectors and units according to their positions and to systematically train and reeducate them so that they work according to the demand of the management regulations.

Thanks to the establishment of the unique policy on the regularization of the enterprise management, a sure guarantee has been provided for nurturing excellent state economic management cadres acting as one under the monolithic leadership of the party and leader, who are capable of managing and operating the economy according to the demand of the chuche-oriented socialist economic management system.

By the great leader's considerate leadership, new enterprise management regulations have been set forth, model plants and research centers representing each sector of the people's economy have been properly established, and the problems which come to the fore in the education to regularize the enterprise management, including one for making scientific movies, have been brilliantly solved.

The enterprise management regulations are the basis for the regularization of enterprise management, and are the most important means of the education on the regularization of the enterprise management.

Model plants are the foundations where people receive the education and training conducted by showing the examples of the regularization of the enterprise management. Then, the research centers of the sectors of the people's economy and the scientific movies are the means of the education which is conducted by showing examples and by offering visual aids to show the way to obtain skills in the management activities and the enterprise management method.

The enterprise management regulations, model plants, research centers of the sectors of the people's economy, and scientific movies are the essential education means and conditions of the education for the regularization of the enterprise management.

These means and conditions of education have been properly provided under the correct policy and leadership worked out and exercised by the great leader and our party. As a result, we have become able to even more properly meet the demand of the education for nurturing economic management functionaries.

It is also important to establish a correct method of education in the education for the regularization of the enterprise management.

The great leader has clearly elucidated the purpose, mission, and method of the education on the regularization of the enterprise management to be conducted according to the nature of the education. As a result, it has become possible for students to obtain the skills of the management activities at the research centers and, at the model plants, to receive the training on working out the production plans and on the enterprise management method and, then, to practice what they have learned with actual performance after studying the business management and the management regulations in the lecture rooms.

The great leader has taught us on arming the students with our party's line and policy and its economic theories through the intensification of the education conducted by showing examples and by explaining theories. This has become a sure guarantee for nurturing the state economic management functionaries brilliant in both theories and practice.

Thanks to the great leader Comrade Kim Il-song's establishment of the unique policy on properly conducting the education on the regularization of the enterprise management and his wise leadership over the struggle to implement the policy, a great success has been won in nurturing the state economic management cadres.

The great leader established a perfect cadre education system under which all state economic management cadres can receive the education on the regularization of the enterprise management. He has given extremely thoughtful guidance over solving all major and minor problems of the education for the regularization of the enterprise management, including the ones for providing educational means, establishing school systems and curriculums, and improving the contents and methods of the education.

In particular, the great leader directed deep attention to setting up new management regulations. Though he was extremely busy, he personally corrected and perfected the management regulations by reviewing every item of the draft written by the professors of the University of National Economics and gave an extremely thoughtful consideration over establishing the modern research centers for each sector of the people's economy.

In this course, the new history has begun in the education for the regularization of the enterprise management—the education of nurturing chuche-oriented state economic management functionaries—and literally a revolutionary turn has been made in nurturing economic management cadres.

The education for the regularization of the enterprise management is being even more brilliantly conducted by the wise leadership of dear leader Comrade Kim Chong-il.

Dear leader Comrade Kim Chong-il, who always directs deep attention to nurturing state economic management cadres, clearly showed the direction and method of improving the work of nurturing cadres according to the demand of the new situation in which the party and society are being permeated with the chuche idea. He also gave a clear scientific elucidation over the new theoretical and practical problems which arise in even more properly nurturing state economic management cadres.

Dear leader Comrade Kim Chong-il energetically led us to grapple with the work of nurturing the students into true communist revolutionaries possessing a firm revolutionary outlook on the leader, considering this as a basic task, and placing great emphasis on enhancing the quality of the education. In particular, at a time when the imperialists and reactionaries are atrociously maneuvering against socialism, he is so wisely leading us that the state economic management cadres firmly adhere to the revolutionary principle of socialism and thoroughly defend and fulfill the requirements of the Taean work system and the planned economy.

Thanks to the wise leadership of the great leader and dear leader Comrade Kim Chong-il, a large unit of competent state economic management functionaries capable of managing and operating our socialist economy by our own effort and technology according to our situation without any deviation under all circumstances has been organized, and it has become possible to even more highly display the superiority of the people-centered socialism of our own style.

Today, we are facing an honorable task to continue to thoroughly apply the Taean work system, which is the enterprise management system of our own style, and to even more highly display its superiority and vitality.

The complete application of the Taean work system is the key to fully displaying the superiority and potential of the socialist economy which is based on collectivism. At the same time, it is an important task to nurture state economic management cadres.

We should enhance the quality of the education on the regularization of the enterprise management by continuing to firmly adhere to and thoroughly implement our party's ideas, theories, and policies on nurturing state economic management functionaries. By so doing, we should actively contribute to highly displaying the superiority of the great Taean work system and to even more vigorously stepping up the socialist economic construction.

## Solidity of 'Invincible Socialism' Described

*SK0907095091 Pyongyang Korean Central Broadcasting Network in Korean 0011 GMT 1 Jul 91*

[NODONG SINMUN 1 July special article: "Our Style of Socialism Is an Invincible Socialism in Which the Leader, the Party, and the Masses Are United With One Mind"]

[Text] An endlessly bright future is being unfolded in our style of socialism which is advancing in accordance with the leadership of the party and the leader.

The solidity and invincible might of our style of socialism which is being developed endlessly by embracing the bright future, is dependent upon the single-hearted unity of the leader, the party, and the masses.

However viciously the imperialists and the reactionaries carry out maneuvers to obliterate socialism, our style of socialism is advancing with certainty towards its road without the slightest wavering due to the single-hearted unity of the leader, the party, and the masses.

### 1. Today in our Country the Single-Hearted Unity of the Leader, the Party, and the Masses is Being Realized Brilliantly.

The party and the leader has faith in the people and loves them infinitely, while the people highly uphold and have absolute trust in the party and the leader. This is a true appearance of our single-hearted unity and here lies the fundamental superiority and invincible might of our style of socialism.

In his work, "Our Style of Socialism Centering Around the Popular Masses Is Invincible," the dear leader Comrade Kim Chong-il theoretically and profoundly explained that the single-hearted unity of the leader, the party, and the masses is an everlasting vitality of our style of socialism. This is a vigorous manifestation of the solidity and invincibility of our style of socialism.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau of the Central Committee of the Workers Party of Korea and secretary, has taught: Our style of socialism is an invincible socialism in which the leader, the party, and the masses are united with one mind.

The single-hearted unity of the leader, the party, and the masses is an everlasting vitality of our style of socialism. This is because this becomes a fundamental source in the existence, solidity, and development of socialism, and in its superiority and vitality.

The solid cohesion and unity of the leader, the party, and the masses constitute a strong revolutionary chuche. Revolution is a chuche movement to achieve the popular masses' independence. Strengthening the revolutionary chuche becomes a fundamental issue in the struggle to achieve socialism.

If the working class and the popular masses do not firmly prepare themselves as the revolutionary chuche there can be no victory in the struggle for the regime. In the struggle to achieve the socialist construction the chuche plays a decisive role. If the chuche is not strengthened continuously a socialist society cannot be constructed and its superiority cannot be highly manifested.

The unified body of the leader, the party, and the masses and the revolutionary chuche must be powerful so that the nature remaking project and social reform work can be carried out successfully and be victorious in the fight with the enemy.

It is important to firmly provide a material and technological basis in carrying out the socialist construction and in improving the method of the economic management. However, what is all the more important is the fact that the revolutionary chuche must be strengthened.

Since people are the ones who develop economy and technology and also control and manage the socialist system, if the revolutionary chuche is not strengthened, socialism cannot be constructed successfully and its superiority cannot be highly manifested.

However harsh the imperialists' frantic maneuvers opposing socialism are, if the revolutionary chuche is firm the imperialists are not able to exercise power.

The socialist fate and its victory or defeat are dependent upon the cohesion and unity of the leader, the party, and the masses and the revolutionary chuche. The single-hearted unity of the leader, the party, and the masses is a fundamental source in making it possible to successfully construct and endlessly consolidate and develop our style of socialism.

Many years have passed since our people chose and advanced the socialist road according to their faith. In this course our style of socialism has been developed endlessly on the firm basis of self-dependence, self-support, and self-reliant defense, and its superiority was highly and wholly manifested. This is completely due to the single-hearted unity of the leader, the party, and the masses.

Since the revolutionary chuche was prepared firmly in our country, it was possible to successfully carry out the socialist revolution according to the unique road of improving in a socialist way the economic status before the technological improvement work. It was also possible to achieve in a short time the historic cause of industrialization.

In essence, the history of the solidity and development of our style of socialism is a proud chronicle which firmly consolidated the single-hearted unity of the leader, the party, and the masses, and the revolutionary chuche.

Today in our country the party and the leader are firmly standing at the center of the revolutionary ranks. Also, through the long period of the revolutionary struggle process the popular masses overcame various trials by sharing the same fate with the party and they were able to firmly unite together through one and the same mind.

The whole party and all the people are firmly united around the leader in organizational ideological terms, morally, and faithfully, thus being comprised of one social and political organic body.

The single-hearted unity which is firmly united by the leader, the party, and the masses; the great party which is deeply rooted among the popular masses; and the great people who loyally uphold the leadership of the party and the leader—here lies the basis of our country's socialist solidity and the source of infinite strength in which any kind of hardship and trial can be overcome and endlessly solidified and developed. Most of all, the single-hearted unity of the leader, the party, and the masses make it possible to successfully construct socialism by firmly standing from the chuche-oriented position.

If socialism centered around the popular masses is to be constructed, the chuche-oriented position must be thoroughly adhered to. The chuche-oriented position is a fundamental position that must be adhered to in the revolution and construction, and this is guaranteed according to the single-hearted unity of the leader, the party, and the masses.

The cohesion and unity of the leader, the party, and the masses is a strong political and ideological might which make it possible to carry out independent politics.

If there is unity, internally, the popular masses can thoroughly be guaranteed of the position and role of master of the state and society, and externally, their country and sovereign rights can be firmly defended and the independent aim of the world people can be resolutely advocated.

If independent politics influence the success or failure of the socialist construction, then the single-hearted unity of the leader, the party, and the masses, determines the might of those politics.

When the single-hearted unity of the leader, the party, and the masses is provided, socialism can be constructed successfully from the firm chuche-oriented position. This is a lofty truth which our revolutionary practice demonstrates positively.

The social and historical condition with which our revolution is faced urgently demanded that all issues be resolved according to the independent faith and in accordance with the intention of our people and our country's situation.

We started the revolution from a backward colonial and semifeudalistic society, and it was inevitable to construct socialism because the county was divided into North and South and under the difficult condition where everything was in ruins. There was no prescription anywhere that was in accordance with our situation. Thinking with one's own mind concerning all the issues that are put forth in the revolution and construction and resolving these issues according to our situation, was the course in which the leader, the party, and the masses united in one mind and uniquely pioneered the unfamiliar road of the socialist construction.

In this road the party and the leader went among the masses and drew up and presented the line and policy according to their intention and demand, and the popular masses unconditionally supported the line and policy which the party and the leader had put forth.

During the difficult times after the war a remark by a grandmother living in Kaesong who said that she supports only our leader is a clear example of how much our people were loyal to the ideology and line of the party and the leader.

Each and every theory on socialist and communist construction which our party presented based upon the chuche idea with a firm belief in the popular masses' united strength is a militant banner that leads us to a straight road of victory without any deviation. We may temporarily suffer turns and twists and difficult trials on our march along the road toward socialism because socialism is an idea on new society that is fundamentally different from all the exploiting societies that have existed in the history of mankind, and because we may have to walk along this untrodden road while waging fierce struggles against class enemies. A key to winning victories after overcoming possible trials on the revolutionary road is single-minded unity between the leader, the party, and the masses. Because of unity and cohesion among the leader, the party, and the masses, we have been able to vigorously push ahead with socialist construction ourselves after overcoming difficulty after difficulty.

Circumstances at home and abroad facing our revolution were very complicated. This has presented to our people the task of pushing ahead with revolution and construction by themselves based upon the revolutionary spirit of self-reliance and arduous struggle, a vital demand. For a small country to carry out revolution and construction by its own efforts is never an easy task. Moreover, the road toward building socialism in our country which was acutely confronting with a powerful imperialist enemy and which had inherited only backwardness, poverty, and the bankrupt economy, was incomparably arduous. However, our people had to carry out revolution and construction without anyone else's assistance. They had to solve all the problems solely relying on their own strength and unity and cohesion among the leader, the party, and the masses. Our people have brilliantly cultivated the socialist road after overcoming all the trials with the firm belief that they can do anything when they are strongly united around the party and the leader. The great upswing in the Chollima movement and socialist construction in our country was possible thanks to the strength of the popular masses united around the party and the leader. Also, the revolutionary march in the speed battle, which marveled the world's people, was possible thanks to single-minded unity among the leader, the party, and the masses.

Our people's collective strength and popular heroism in pushing ahead with socialist construction are more highly displayed on the road elucidated by the party and the leader. Today, we are pushing ahead with the vigorous march of the nineties and the work of highly displaying the superiority of socialism on the strength of single-minded unity among the leader, the party, and the masses.

We are firmly keeping national dignity and revolutionary principles and dauntlessly carrying out the socialist cause under all circumstances. Today, our country is brilliant as a powerful socialist country of self-dependence, self-support, and self-reliant defense and walking along the road toward independence without being shaken by any antisocialist maneuvers by the imperialists and reactionaries. This is unthinkable apart from single-minded unity among the leader, the party, and the masses. Because of single-minded unity between the leader, the party, and the masses, the country's socialism enables the people to lead genuine and brilliant political lives, economic lives, and ideological and cultural lives.

There must be unity and cohesion among the leader, the party, and the masses for socialism to become a superior system that provides the people with independent and creative lives. Unity and cooperation are means of people's survival and are basic in social relations under a socialist system. People are social beings and have cultivated their destiny by promoting unity and cooperation among themselves. The more society develops, the more unity and cooperative relations develop. Also, unity and cooperative relations are promoted on a high level in a socialist society.

When the leader, the party, and the masses form a solid single entity, the people can enjoy political, economic, and ideological and cultural lives and worthwhile lives in compliance with their innate demands.

Our style of socialism is a society in which the leader, the party, and the masses formed a single social and political entity. Our people's earnest desire to lead independent, creative lives after freeing themselves from all forms of subjugation and restraint is brilliantly fulfilled in a socialist society in which the leader, the party, and the masses are united single-mindedly. Political lives are very important in social lives. In our country where the leader, the party, and the masses form a single social and political entity, all the workers, as equal masters of society, are enjoying the same political rights, exercising all the sovereign rights, and participating in state activities. All the people of our country are carrying out activities in political organizations. By carrying out activities in the organizations of the working class party and other political organizations that are being led by the party, they are brightening their political lives in kindred ties with the leader [suryong].

All the people are harmoniously living in a single grand revolutionary family without knowing any political instability or without slandering or keeping a jealous eye on each other. This is because our society is politically, ideologically, and morally united around the party and the leader.

Because they form a single social and political entity, our people are enjoying worthwhile economic lives, too. By adhering to the Taean work system, our country is endlessly developing the socialist economy at a high speed based upon the united strength and creativity of the popular masses. In our society which forms a single social and political entity and in which people help and lead each other, the party and state are holding full responsibility for all the aspects of the workers' lives.

The state and society guarantee our people all the conditions necessary for food, clothing, and housing, and they are enjoying equal and happy lives. The worthwhile economic lives which our people are enjoying under the man-centered socialist system are unthinkable in a bourgeois society in which a very small number of monopolistic capitalists and privileged people are leading luxurious and decadent lives and in which an absolute majority of the working masses are suffering from unemployment, poverty, illness, and all the other calamities. The valuable and worthwhile ideological and cultural lives which our people are enjoying are thanks to single-minded unity among the leader, the party, and the masses.

It is impossible to dye in one color a capitalist society which is divided among classes and strata that have conflicting interests, and the presence of different ideas and trends is inevitable there. However, only one idea, the chuche idea, firmly prevails in our society members which form a single social and political entity.

Our people voluntarily accept the chuche idea, a superior man-centered idea, as their belief because this was a matter of life and death and are thinking and acting as this idea teaches. Highly displayed in our country is a revolutionary spirit under which people devotedly struggle for the party, people, society, and the group under the slogan of one for all and all for one. This is the appearance of the genuine ideological lives our people are enjoying.

The entire society is filled with the virtue of leading revolutionary ideological lives. This is a fundamental cause for the invincibility and superiority of our style of socialism.

Single-minded unity among the leader, the party, and the masses enables our style of socialism to fully and highly display its basic characteristics and superiority. The honorable history of our revolution and today's proud reality clearly prove that single-minded unity between the leader, the party, and the masses is the eternal vitality of our style of socialism. Based upon our practical experiences, we have come to firmly believe that when all the people further consolidate the strong single-minded unity around the party and the leader, they will be able to win the ultimate victory of the socialist cause and lead worthwhile and happy lives.

### 2. Dear Comrade Kim Chong-il's work "The Popular Masses-Centered Socialism of Our Own Style Is Ever-Victorious" clearly elucidates the inevitability of the ever-victorious socialism—where the leader, the party, and the masses are united in one mind—solidifying and developing.

The wise leadership of the party and the leader is a mighty driving force that makes all the people unite firmly around the party and the leader in ideology, initiative, morality, and fidelity and enables them to vigorously push ahead with socialist construction with that might.

Comrade Kim Chong-il, member of the Presidium of the Political Bureau and secretary of the WPK Central Committee, has noted: The work of putting forth the correct guiding ideology and scientific strategy and tactics to the popular masses and awakening and organizing them is carried out by the outstanding leader and the party of the working class. The main force of socialist society is the popular masses, but the popular masses should be firmly united around the party and the leader so as to carry out their role as the independent main force of the revolution and to successfully carry out socialist construction.

Socialist society is a highly-organized society. Therefore, it can only fully display its superiority and can only be continuously solidified and developed when the political awareness and organization-mindedness of the working popular masses are enhanced. The work of awakening and organizing the popular masses and making them a strong central force of socialist society is carried by the outstanding leader and the party of the working class. Today, we have the wholehearted unity of the leader, the party, and the masses in our country because we have the wise leadership of the party and the leader and because the guiding ideology is great. The leader, the party, and the chuche idea are the fundamental core of our wholehearted unity and the fundamental source of the greatness and solidity of the socialism of our own style.

The socialism of our country is an ever-victorious one in which the leader, the party, and the masses are united in one mind because it upholds, above all, the great leader, the outstanding leader, who stands at the head of the revolution. The solidity of the ties of kinship among the leader, the party, and the masses is ensured by the uniformity of the ideology and leadership. In the living socio-political body, the uniformity of ideology is realized based on the ideology of the leader and the uniformity of leadership is realized by the leadership of the leader.

The leader is the center of unity and cohesion that awakens and organizes the popular masses and unites them into one political force, and he is the center of leadership that leads the revolutionary struggle of the popular masses to victory.

The leader is the great leader of the revolution who has the extraordinary wisdom, outstanding leadership, and noble virtue to thoroughly defend the independent demand and interest of the popular masses and lead the struggle to realize it wisely. In our country, the popular masses-centered superior socialism of our own style is built which is ever-victorious and in which the leader, the party, and the masses are united in one mind because it has had the unremitting energetic activities and wise leadership of the great leader Comrade Kim Il-song. Because our people came to enjoy the great leader's leadership, for the first time in the thousands of years of their history, they could bring an end to the long history of suffering and victoriously pioneer the new history of socialism.

The course in which the respected and beloved leader Comrade Kim Il-song has led the struggle to build the socialism of our own style under the banner of the chuche idea has been embroidered with his endless love and devoted service for the people. The ideas, theories, and policies put forth by the great leader all embrace the will and demands of the popular masses.

The respected and beloved leader always refers to the popular masses as Mr. So and So. The great leader always found the chuche truth staying with the popular masses, formulated the chuche principle reflecting the aspirations of the popular masses, and comprehensively completed the chuche idea summing up the experience of the popular masses of the struggle to realize independence [chajusong].

The great leader Comrade Kim Il-song went among the popular masses, grasped their will and demands, and put forth new lines and policies reflecting them. The respected and beloved leader put forth the chuche agricultural method, giving on-the-spot guidance himself to many rural areas, talking personally with the farmers and summing up their experiences. The leader put forth the well-known Chongsan-ri spirit and Chongsan-ri method—the communist guiding ideology and guiding method on leading the masses—by going among the farmers of Chongsan-ri, eating and sleeping with them, and summing up their will and aspirations.

While traversing along the road of on-the-spot guidance—an immortal course—the great leader put forward the lines and policies by reflecting the will and desire of the popular masses and led our revolution in a constant upsurge by inspiring the popular masses to implement such lines and policies.

Love for the people is a great natural disposition of the respected leader Comrade Kim Il-song. The source of single-hearted unity among the leader, the party, and the masses is the boundless love cherished by the great leader for the people.

Because the respected leader endlessly loves the people and brilliantly realizes their desires, our people respect the leader as a father, and are boundlessly loyal and dutiful to him, thus highly upholding him.

It is our party's firm intention to tenaciously defend, protect and develop socialism of our own style which brings the independent and creative life of the popular masses into full bloom.

Dear Comrade Kim Chong-il is wisely leading our party so that it struggles by taking the people's welfare as its highest principle and advances by highly upholding the slogan, "We serve the people!" Thus, he is highly and comprehensively displaying the superiority of socialism of our own style.

Because we uphold the great leader [yongdoja], all the people in our country have the noblest and most beautiful political, ideological, and moral ethics which should be cherished by those who live in the socialist society.

The single-hearted unity among the leader, the party, and the masses in our society is a crystal of the people's loyalty and filial devotion to the leader.

All party members and workers have been firmly prepared as genuine loyalists and devoted sons who highly uphold their leader politically, ideologically, and morally. Thus, the single-hearted unity between our party and the revolutionary ranks has been further consolidated and the might of socialism has been strengthened in every way.

The indomitable might of socialism of our own style, in which the single-hearted unity among the leader, the party and the masses is attained, lies in the leadership of the great party.

The leadership of the leader is to be realized through the party of the working class. The party of the working class is a vanguard unit composed of advanced elements of the working class and is the staff office of the revolution which leads the struggle to realize the independence of the popular masses.

The party of the working class is the only guiding force in socialist society. The position and role of the party of the working class as the guiding force in socialist society cannot be replaced by any other political organization.

The main force of the revolution is the united body [tongilche] composed of the leader, the party, and the masses. Therefore, in order to strengthen the main forces, the party, which is the core and guiding force of these forces, should be strengthened first of all.

Only when the party is sound ideologically, can the masses be sound ideologically. Only when the party is united, can the masses be united. If the party gets sick, the masses will get sick and if the party is split, the masses will be split.

As shown in the historical experiences, when the guiding position and role of the party are weakened and eliminated, the working popular masses will be reduced to unorganized masses who have lost their guiding center, and will be broken up in every way, thus causing serious consequences.

Whether the party's guidance over the socialist society is guaranteed or not is the basic issue dominating the destiny of socialism.

Because our party is mighty, the single-hearted unity among the leader, the party and the masses has been firmly achieved in our country and thanks to the might of this unity, the socialist construction is vigorously advancing.

Regarding the WPK—the party of the working class—as their sole guiding force, our people totally entrusted the party with their destiny, thus loyally upholding the party's leadership.

Taking the mass-centered chuche idea as its guiding ideology, our party regards achieving the popular masses' cause of independence as its struggle goal. Herein lies the basic characteristic of our party as the revolutionary party serving the people and herein lies the basic guarantee for fulfilling its role as the center of a social and political organism.

According to its essential demands as the chuche-type revolutionary party serving the people, today our party enjoys lofty dignity and honor as the mass party embracing the advanced elements of workers, peasants, and working intellectuals and as the revolutionary party which took root in the masses.

Raising the issue of combining the party's leadership with the revolutionary mass line as a basic principle for the party's activities, our party is carrying out the party's leadership in compliance with the will and demand of the popular masses.

Our party, which is endlessly loyal to the popular masses, formulates its policy only after finding out what the masses' intentions and demands are by mingling with them and reflecting their intentions and demands. In the course of implementing its policies, our party thoroughly subjugates everything to protecting the people's interest by paying primary attention to this.

At the same time, our party actively educates functionaries so that they work by dedicating everything to the popular masses and firmly cherishing the trait of being the loyal servants of the people.

The spirit of devoted service for the people and the popular policies of our party, as well as our party's keen interest in each household and individual and warm benevolence extended to them, resulted in the people's absolute trust in the party, and firmly linked the party and popular masses as one lineage.

The slogan, "What the party decides, we will do," which came from our people, shows the lofty loyalty of our people to absolutely trust and follow the party and to dedicate all wisdom and energy to the road indicated by the party.

As the party faithfully serves the people and the popular masses loyally uphold the party's leadership, the single-hearted unity among the leader, the party, and the masses is being firmly consolidated and thanks to this unity and cohesion, socialism of our own style is being constantly strengthened and developed.

Socialism of our own style is being constantly strengthened and developed into socialism in which the single-hearted unity among the leader, the party, and the masses is attained, because it assumes the chuche idea as its ideological basis.

Socialism is a society which is based on the revolutionary ideology of the working class, and the development of socialism is to be guaranteed by scientific, revolutionary, and realistic characteristics of ideology and theory on which socialism is based.

When socialism assumes the great revolutionary idea as its ideological basis, it can traverse along the straight road of its development and can make only one ideology dominate the entire society. Thus, socialism can realize ideological unity.

The chuche idea is the ideological base of socialism of our own style. Since socialism in our country embodied the chuche idea, it became man-centered socialism in which man is the master of everything and everything serves man. It became indomitable socialism in which the single-hearted unity among the leader, the party and the masses is attained.

The chuche idea is a man-centered outlook on the world. The chuche idea expounded the essential characteristics of man as a social being with independence, creativeness, and consciousness. Based on this, the chuche idea elucidated a new philosophical principle that man is the master of everything and man decides everything. The chuche idea established a chuche-oriented outlook and position of treating everything in the interest of man and of coping with all changes and developments based on the activities of man.

The chuche idea demands that the popular masses be brought to the front as the main force of social movement and that the popular masses firmly unite themselves with the leader and the party organizationally, ideologically and morally so that they become the independent main force of the revolution.

The revolutionary movement is to advance victoriously by the united body of the leader, the party, and the masses. Because the chuche idea elucidates the basic principle of the revolution for the popular masses and gives them the firm revolutionary trait of the leader, the chuche idea makes the popular masses firmly unite with the party and the leader by cherishing revolutionary faith and a sense of obligation. Thus, the chuche idea serves as an ideological basis in socialist society.

Through long practical experience in life, our people came to firmly believe that only the chuche idea is a militant banner which can completely realize the independence of the popular masses and can victoriously lead the socialist and communist cause to victory, and is an ideological banner which causes the popular masses to unite with the party and the leader.

Thus, our people, regarding the chuche idea as a starting point of all ideas and activities, live and act in accordance with the demand of the chuche idea at all times and in all places.

Today our single-hearted unity is the single-hearted unity of ideology based on the chuche idea and is the single-hearted unity of action which moves only according to the demand of the chuche idea. This unity is the ideological and conscientious unity which takes the chuche idea as a firm outlook on the world.

Because our people are firmly armed with the chuche idea, we are able to dedicate our flesh and spirit to the socialist cause in firm unity with the party and the leader by cherishing the firm revolutionary outlook on the leader.

Because all members of society uphold the party and the leader faithfully, with a sense of obligation and with revolutionary conscience, the unity and cohesion among the leader, the party, and the masses in our country became a solid social and political organism.

No matter how frantically the imperialists may maneuver, neither bourgeois ideas nor bourgeois culture can infiltrate our society to spoil our unity. The wise leadership of the party and the leader turned socialism of our own style into a great harmonious socialist family who are united on the basis of one center and one idea and who help and lead each other.

Thus, in his travel sketches, a writer from the West who visited our country said he witnessed that the great desire of mankind for harmony among man and between the people and the leader has been realized on a lofty level in North Korea. There, the people and the leader are one in body and spirit. This miracle is inconceivable for the Western people. The West has no such excellent experience but only knows one of two systems—either liberal democracy or the autocratic state. People say that there cannot be a third line [che samnoson]. However, this third possibility actually exists in North Korea. This is a boon of history.

It is a great pride and happiness of our people to live under indomitable socialism in which the single-hearted unity among the leader, the party, and the masses is attained. The future of socialism of our own style, which embodies the chuche idea, is endlessly bright.

The chuche-type Korean communist revolutionaries and people tenaciously struggle to build a socialist and communist paradise, where the chuche idea is embodied, in the land of the fatherland. The history of building socialism of our own style is the brilliant and glorious revolutionary history of the great leader Comrade Kim Il-song who led our people along the straight road of victory. This is a proud annal in which the leader, the party, and the masses vigorously pushed ahead with the socialist cause in firm unity.

There were many difficult trials in the course of our people's pioneering the road toward mass-centered socialism under the banner of chuche. However, our people could confidently advance along the road of socialism, which we ourselves chose according to our own faith, by struggling in firm unity with the party and the leader and by breaking through difficulties. Thus, we built the most superior socialism of our own style.

It is a historical conclusion of our revolution that the destiny and the future of socialism depend totally on the single-hearted unity among the leader, the party, and the masses. Today our people endlessly trust the party and the leader, and are tenaciously fighting along the road indicated by the party.

It is our people's firm determination to tenaciously defend, protect, and glorify socialism of our own style, in which the chuche idea is embodied, by deeply cherishing the idea and theory expounded in dear Comrade Kim Chong-il's work, "Mass-Centered Socialism of Our Own Style Is Ever-victorious."

It is a genuine countenance of the single-hearted unity which is brilliantly realized in our own style socialism that the party and the leader trust in and endlessly love the people and the people uphold the party and the leader with absolute trust. Our single-hearted unity is ideological, conscientious, and moral unity based on the firm belief that only when we fight in firm unity with the leader of the revolution by upholding his leadership, can we win victory in the revolution. This unity is also based on the lofty sense of obligation and warm comradeship of communists who resolved to fulfill the duties of revolutionary fighters under any adverse situation.

This unity and cohesion, which took root at an early date during the period of anti-Japanese revolutionary struggle, have been consolidated amid the arduous struggle for socialism. At a rewarding time when we are advancing by tenaciously defending and protecting the socialist cause and upholding the great leader [widaehan yongdoja], the might of such unity and cohesion have been multiplied. It is indeed the great pride of our party and people to have such great unity and cohesion.

Nothing can break the might of socialism of our own style in which the single-hearted unity among the leader, the party, and the masses is attained. Because we have the single-hearted unity among the leader, the party, and the masses, we will achieve the independent reunification of the nation and the final victory of the socialist and communist cause without fail by resolutely crushing the imperialists's maneuvers.

Only victory and glory will illuminate the road before our own style socialism which is advancing by the might of unity and cohesion among the leader, the party, and the masses.

## Social, Class Foundation of Socialism Hailed

*SK1007083791 Pyongyang Korean Central Broadcasting Network in Korean 0007 GMT 2 Jul 91*

[NODONG SINMUN 2 July special article: "The Wise Leadership of Our Party Which Has Laid a Firm Social and Class Foundation for Socialism."]

[Text] Any social system has its own social and class foundation. The social and class foundation of every social system is composed of various classes and strata supporting the society.

The firmness and existence of a socialist system depends upon the social and class foundation. Capitalist society, which depends upon only a small number of the exploiting class and the reactionary strata, does not enjoy the support of the great majority of the exploited class and the progressive strata, who desire to lead an independent life. Thus, the capitalist class is bound to meet its doom.

Socialist society is a new society whose social and class foundation is basically different from that of every exploiting society existing in human history. In socialist society where the exploiting class is removed, there exist only the popular working masses.

Socialism is based on the social and class foundation composed of the people having the same purpose, desire, and social and economic position. Accordingly, socialism has not only matchless superiority compared to capitalism, but also has eternal life. However, the exploit of laying a social and class foundation for socialism cannot easily be performed in a day or two.

On the road leading to socialism, the most important historical task is to firmly lay a social and class foundation. In our country, under the wise leadership of the party and the leader, such an important historical task, which is related to the fate of the socialist cause, has been brilliantly settled.

Dear leader Comrade Kim Chong-il, in his classical document, "Invincible Is the Socialism of Our Own Style Centering on the Popular Masses," on the base of the rich practical experience of the Korean revolution which has advanced under the banner of the chuche idea, gave sagacious and scientific answers to all theoretical and practical questions arising in laying the social and class foundation firmly as rock.

This is a great ideological and theoretical exploit performed in carrying out the socialist cause. Our socialism is an invincible socialism standing on the firmest and widest social and class foundation in history.

Dear leader Comrade Kim Chong-il has noted: With the absolute support and trust of the popular masses, our socialism has been continuously strengthened and developed. This is because, by correctly embodying class line and mass line, our party has in a timely manner frustrated and smashed the antirevolutionary moves of the hostile forces of a small majority. In addition, this is because, by firmly rallying the masses of all strata around our party and the Government of the Republic, our party has strengthened the revolutionary banner and has raised socialism to the firmest and widest social and class foundation.

What has made it possible for our party to establish socialism on the firmest and widest social and class foundation is that our party has originally carried out this work, in keeping with the demand of our times and the specific situation of the country.

The work of raising socialism to the firmest and widest foundation becomes an urgent demand of our era, that is, the era of independence.

Looking back on history, in the period of preparing for carrying out socialist revolution, a small number of communists and proletarians supported socialism. And, as the struggle for socialism has widely been waged, a matchless firm social and class foundation of socialism has been laid.

It is in our era when the popular masses become the master of their fate that the masses of all strata, including workers and peasants, have aspired for socialism. This demands that the issue concerning the social and class foundation of socialism be newly settled as required by the times.

By the chuche idea created by the great leader Comrade Kim Il-song, such a task of the times has been originally settled. As a result, a great socialist history has been created. The social and class foundation of socialism has been continuously expanded and consolidated by the chuche idea. This is because the chuche idea enables those aspiring for independence to support socialism and to fight for it.

The great chuche idea equally represents the independent demands and interests of the masses of all strata, including the working class, peasants, and intellectuals and it elevates them as the main forces of socialist cause and as the social and class foundation of socialism.

The great chuche idea boldly believes in even the class and strata which were not regarded as the main forces of the revolution in the past and thus were looked upon as the target of the revolution. Accordingly, it elevates them to the same status of those composing main forces of the revolution. This is the uniqueness of the chuche idea which has newly settled the issue of the social and class foundation of socialism.

Because our party looks upon the chuche idea as a guiding policy, it can, for the first time in history, establish the invincible socialism which has the firmest and widest social and class foundation.

The wise leadership of our party, which has consolidated the social and class foundation of socialism as firmly as rock, lies in leading the entire people to brilliantly carry out the work to absolutely support and trust socialism, without even the slightest deviation, by correctly embodying class line and mass line based on the chuche idea.

It can be said that the work of constructing the social and class foundation of socialism is one to frustrate and smash the antirevolutionary moves of the hostile forces of a small minority which opposes socialism. In addition, it can be also said that the work is one to rally the masses of all strata aspiring for socialism around the party.

This work can be carried out by consolidating the quality of the ranks and by expanding the membership of the ranks. If the issue of expanding the size of the social and class foundation is related to the issue of including how many and what kinds of class and strata, then, the issue of consolidating the quality of the ranks is related to how the people should be prepared politically, ideologically, with respect to class.

If the party of the working class cannot correctly combine the work of consolidating the quality of the revolutionary ranks and the work of expanding the membership of the ranks, we cannot but commit various deviations in laying the social and class foundation.

At every period and at every stage of carrying out the revolution, in keeping with the specific situation of the country, class relations, and independent demands and aspiration of the popular masses, our party has correctly regulated the task and main forces of the revolution and carried out politics centering on the popular masses. As a result, our party has settled the issue of constructing the social and class foundation of socialism in our own style.

The entire course of setting up and developing socialism in our country is the course of continuously expanding and consolidating the social and class foundation centering on the popular masses.

The working class is the core unit in the main forces of the revolution. Socialism is a society embodying the inherent demand of the working class. Without enhancing the core role of the working class and firmly rallying it around the party, the class bastion of socialism cannot be consolidated firmly, nor can socialism be built.

Since the beginning of the anti-U.S. imperialist and antifeudalist democratic revolutionary stage, the great leader has raised the working class as the leading class of the revolution. In addition, after setting up a socialist system, he has seen to it that the entire society should be fully revolutionized and assimilated into the working class.

Today, the entire image of the socialism of our own style is gradually being transformed into that of the working class. Thus, our own style socialism is being consolidated as the working class-orientation society and classless society. This demonstrates the wisdom and principles of our party's leadership of consolidating the social and class foundation of socialism, with the working class as the leading class.

In expanding and strengthening the social and class foundation of socialism, it is very important to train the masses of all strata, including peasants and intellectuals, to be ardent supporters of socialism and lead them to the road of socialism and communism.

Socialism is a society embodying the aspiration and demand of the working class. This never means that socialism is a society only for the working class. The demand of the working class accords with the demands of all classes and strata having relations with the social progress.

The party of the working class, which defends the interests of the entire popular working masses, should naturally advance socialism, while leading all members of society in rising up to struggle for the independence of the popular masses. Thus, it can be said that the most difficult and pivotal issue in expanding and strengthening the social and class foundation of socialism as required by our times is, after all, how to carry out this work.

Regulating the masses of all strata, including intellectuals as well as the working class in keeping with the demands of the chuche idea, as factors of constituting the main forces of the revolution, our party has carried out the politics of love and faith, which thoroughly safeguards their interests. By so doing, all, including peasants and intellectuals, have indomitably trained themselves as the strong main forces of the socialist cause.

All the people, who have been reformed as socialist workers irrespective of their affiliation with any class and circle in the past, became permanent partners of the revolution, and are firmly traversing along the road of socialism and communism. This clearly shows how firm and broad the social and class foundation, which our party has fostered and consolidated for a long time using all its energy, is.

The sagaciousness of our party's leadership, which consolidated the social and class foundation of socialism, has been fully displayed by the fact that our party basically developed the ideological and mental countenance of all members of the society by modeling them on one ideology.

The firmness of the social and class foundation of socialism is to be ensured and expressed by the political and ideological standard of the masses. When the socialist revolution is carried out and the socialist system is established, people from various different classes and circles will all be reformed as socialist workers, and their social and economic situation will be the same. As a result, their social and class foundation will be remarkably expanded.

That the people's social and economic situation becomes the same does not necessarily mean that the question of consolidating the social and class foundation is solved automatically.

What plays the decisive role in people's activities is ideological consciousness, and the role of ideological consciousness will be further enhanced as the socialist construction advances and the society develops. Thus, what emerges as a top priority and important task in consolidating the social and class foundation of socialism at present is to model all members of society on one ideology—the revolutionary idea of the working class—in accordance with the essential demand of socialist society where a monolithic social and economic basis is provided and where class confrontation is totally removed.

The slogan on the chuche-orientation of the entire society put forward by our party is a programmatic guideline which enables us to accomplish the work of laying the social and class foundation of socialism at the highest level.

The work of modeling the revolutionary ranks on the monolithic ideology based on the chuche idea was begun from the early days when the great leader Comrade Kim Il-song created the chuche idea and led the Korean revolution. The work of chuche-orientation of society began when the people became the master of the government.

That our party put forward the slogan on the chuche-orientation of the entire society by reflecting the mature demand of revolutionary development and the people's unanimous desire is a great event which opened a new turning point in strengthening the social and class foundation of mass-centered socialism of our own style.

The chuche idea, the sole guiding idea of our party, is the revolutionary idea of the working class and is an indomitable revolutionary ideology which all the people, who treasure independence irrespective of the classes and circles they belong to, will believe in and embody. The ideology, which can completely reform the social and economic situation and the ideological and mental traits of all members of society into the image of the working class and which can make the entire society a social and political organism, is the only chuche idea.

Because socialism of our own style has the working class, peasants, and intellectuals, who are firmly armed with the chuche revolutionary world outlook through the chuche-orientation of the entire society and who took socialism as their firm faith, our own style socialism has turned into mass-centered socialism in which the single-hearted unity among the leader, the party, and the masses is attained.

Socialism in our country is today enjoying absolute support and trust from all the people, and has taken root deep in the hearts and lives of the people.

Our socialism has as its social and class foundation a broad range of the working class, peasants, and intellectuals who firmly believe that without socialism, they cannot live even a moment and cannot be happy. Thus, our socialism has turned into an indomitable fortress which never wavers at any antisocialist maneuvers of the imperialists.

Even under immeasurably difficult and complex circumstances, our party firmly and consistently maintained and sagaciously implemented the class line and mass line based on the chuche idea. Without the tested leadership of our party, no one can think of the fact that our socialism has such a firm and broad social and class foundation as today.

Seeing mass-centered socialism of our own style displaying such indomitable might as today, we come to keenly realize the refined leadership and immortal achievements of our party which built the iron-clad social and class foundation. We also come to firmly believe that the final victory of the socialist cause lies in following the party.

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## KCNA Reviews 9 Jul Pyongyang Press

*SK0907104391 Pyongyang KCNA in English*
*1003 GMT 9 Jul 91*

[Press Review]

[Text] Pyongyang July 9 (KCNA)—Papers here today report that the great leader Comrade Kim Il-song met again with the delegation of the Communist Party of Portugal.

The Mexican paper EL SOL DE MEXICO carried the talks of President Kim Il-song with the president and director general of the Organizacion of Editorial Mexicana S.A. and president of the Association of National Olympic Committees, says NODONG SINMUN.

The dear leader Comrade Kim Chong-il's work "Our Socialism for the People Will Not Perish" was studied and disseminated in foreign countries, says the press.

Papers give an account of a meeting held to mark the 20th anniversary of Comrade Kim Chong-il's on-the-spot guidance to Pyongyang University of Drama and Cinematics.

Under the fixed title "Along the Footmark of Glory" NODONG SINMUN begins today to carry a serial article on the greatness, undying revolutionary feats and noble traits of Comrade Kim Chong- il.

Appearing in the paper is an article telling that he has led our officials to defend the revolutionary traditions and make the revolutionary spirit of the anti-Japanese struggle prevalent in the whole society.

MINJU CHOSON carries an article telling that Comrade Kim Chong- il encouraged traditional national diet.

Econews of the press includes reports about innovations at the construction site of the Sariwon Potassic Fertilizer Complex and an opening ceremony of an extra waterway of the slag treatment ground of the Pukchang thermal power complex. NODONG SINMUN runs an editorial titled "Let us Give Fuller Scope to Revolutionary Spirit of Self-reliance and Hard Struggle."

"To Manage Agricultural Cooperative Economy by Industrial Method is Important Demand To Increase Agricultural Production" is the title of a MINJU CHOSON article.

NODONG SINMUN gives an account of a meeting of LSWYK [League of Socialist Working Youth of Korea] members and young people of the Kim Chong-tae electric locomotive complex to step up the production of "Chongnyon" electric locomotive and passenger trains, gift of loyalty to the party on the occasion of the first youth day.

The paper reports about an opening meeting of a week of Korea- China friendship held here to mark the 30th anniversary of the signing of the Korea-China Treaty of Friendship, cooperation and mutual assistance and about the sojourn of the delegation of the Communist Party of Portugal in Korea.

A 1991-1993 plan of cultural cooperation between the governments of the DPRK and Poland was signed in Pyongyang, reports the press.

NODONG SINMUN carries an account of a meeting for the preparation of the second pananational rally held in Berlin and documents adopted at the meeting "warm support and encouragement to the formation of the South side's headquarters of Pomminnyon" and "our stand toward delegates of Chondaehyop".

Papers round up voices at home and abroad supporting the joint statement of the DPRK political parties and public organisations.

NODONG SINMUN and MINJU CHOSON carry commentaries denouncing the puppet "Security Planning Board" for suppressing the patriotic pro-reunification democratic forces of South Korea and the No Tae- u's scheme to realize a policy of "reunification by absorption" toward North by dint of his master.

In a solidarity letter to Foreign Minister Kim Yong-nam, the Malagasy foreign minister supported the DPRK's decision to join the United Nations and a seminar on the participation of women in the student movement held in Nepal demanded the immediate release of Yim Su-kyong, says NODONG SINMUN.

South Korean news columns of the press include a report that the director of the Institute of Social Sciences in Seoul protested the authorities' suppression of an academic organisation.

In the ninth installment of a serial article headlined "Undying Youth in the Ranks of Resistance" NODONG SINMUN says that student Kim Kwi-chong of Sungkyunkwan University in Seoul was ruthlessly murdered by the fascists during a demonstration.

Jiang Zemin, general secretary of the C.C. [Central Committee], the Communist Party of China, stressed at the talks with secretary- general Alvaro Cunhal of the C.C., the Communist Party of Portugal, that China has confidence in the final victory of socialism, and Chinese Premier Li Peng visited Egypt, according to the press. NODONG SINMUN reports that the 70th founding anniversary of the CPC was celebrated in all parts of China, Carlos Rafael Rodriguez Rodriguez, vice-president of the Council of State of Cuba and vice-president of the Council of Ministers, emphasized Cuba would not give up the ideal of communism, and the Soviet newspaper SOVETSKAYA KULTURA referred to the situation of public health in Russia.

Zambian president called for the unity of the people, says the press.

NODONG SINMUN in an article says that there can be no true freedom of idea in capitalist society.

## KCNA Reviews 10 Jul Pyongyang Press

*SK1007061991 Pyongyang KCNA in English 0512 GMT 10 Jul 91*

[Press review]

[Text] Pyongyang July 10 (KCNA)—Papers here today carry a photo-accompanied report that the great leader President Kim Il-song received a military delegation of the Republic of Mozambique and news that a gift was presented to the dear leader Comrade Kim Chong- il by the delegation.

Appearing in the press is a message of greetings sent by President Kim Il-song of the Democratic People's Republic of Korea to Lynden Oscar Pindling, prime minister of the Commonwealth of the Bahamas, on the occasion of the 18th anniversary of the independence of the country.

NODONG SINMUN carries a solidarity message to President Kim Il- song from Herving Chung, chairman of the Caribbean National Movement, supporting the DPRK's stand on U.N. membership and a report that the participants in the inaugural meeting of the Nigerian Committee for Supporting the Peaceful Reunification of Korea sent a message to him.

Printed in the press are reports that a central symposium on "Our Socialism for the People Will Not Perish", a work of Comrade Kim Chong-il, was held in Pyongyang and the Egyptian paper EGYPTIAN GAZETTE issued an article introducing the immortal flower "Kimjongilia". Also seen there is an article titled "Genius in Ideology and Art" contributed by Karl Heinz Ruhle, a German journalist, lauding the greatness of Comrade Kim Chong-il.

Papers inform the readers that all India Indo-Korean Friendship Association published a special issue of its magazine "Indo-Korean Friendship" on the occasion of the month of solidarity with the Korean people.

Dailies come out with articles dealing with the revolutionary feats performed by Kim Hyong-chik, an outstanding leader of the anti-Japanese national liberation movement in our country and an indomitable revolutionary fighter, on his 97th birth anniversary (July 10, 1894).

Econews of the press includes reports that weeding is in full- swing in the rural communities and the construction of Tongil Street in Pyongyang is progressing apace.

MINJU CHOSON carries an article titled "To Develop Geological Prospecting Is Requirement of the Building of Independent National Economy."

Given in the press are reports that the Ministry of People's Armed Forces held a meeting to mark the 30th anniversary of the signing of the Korea-China treaty of friendship, cooperation and mutual assistance, the charge d'affaires ad interim of the Mongolian Embassy in Pyongyang hosted a reception on the occasion of the 70th anniversary of the Mongolian People's Revolution, and the delegation of the Communist Party of Portugal led by Secretary-general Alvaro Cunhal left for home.

Papers report that woman students of Kim Il-song University held a rally demanding the release of coed Yim Su-kyong, the "flower of reunification", and the North side's headquarters of the Pan-Korean Alliance for National Reunification (Pomminnyon) formed a delegation to the second preparatory meeting for the '91 pan-national rally slated in Seoul and made public its composition.

Introduced in the press is an article headlined "Voice From Land of Morning Calm" contributed by E. Mikhaylov, a merited cultural activist of the RSFSR [Russian Soviet Federated Socialist Republic], to the Soviet paper SOVETSKII PATRIOT [name of paper as received].

NODONG SINMUN reports that voices for solidarity with the Korean people's struggle for national reunification are ringing out from different countries on the occasion of the June 25-July 27 month of anti-U.S. joint struggle and the Secretariat of the International Union of Students sent a letter to the South Korean National Council of Student Representatives (Chondaehyop).

Printed in the paper is a joint statement released by 21 political parties and public organizations of Bangladesh in support of the joint statement of the DPRK political parties and public organizations. The Ugandan organizations also published a joint statement, it says.

In a commentary the paper hits out at the brutal suppression of the bereaved family of patriotic student Kang Kyong-tae by the South Korean fascist clique.

The South Korean authorities arrested Kim Chong-sik, chairman of Chondaehyop, reports the press.

NODONG SINMUN carries a commentary titled "What Does U.S. 'Troop Cutback Plan' Show?"

The paper reports that Li Peng, premier of the State Council of China, called for the establishment of a fair world order, the Political Bureau of the Central Committee of the Communist Party of the Soviet Union adopted a statement concerning the question of the new union treaty and the Taiwanese paper "TAIWAN HSIN SHENG PAO" criticized those calling for the "independence of Taiwan".

Given in the press are reports that China and Britain signed a memorandum of understanding on the building of a new airport in Hong Kong and the Latin American countries protested the nuclear test by France.

NODONG SINMUN exposes the U.S. imperialists' war preparation moves under the title "U.S. Imperialism Is Chieftain of Aggression and War".

## South Korea

### Use of Reunification Movement Discouraged

*SK1007031591 Seoul HANGYORE SINMUN in Korean 9 Jul 91 p 2*

[Editorial: "Reunification Means the Overcoming of Contradictions in the Nation—Substantial Efforts, Rather Than Political Propaganda"]

[Text] Discussions on reunification become very heated every summer. The 15 August liberation from the Japanese imperialists' colonial rule, though we cannot consider it as a genuine liberation, kindles our earnest desire for reunification at this time. This summer is no exception. At a time when two representatives of the National Council of University Student Representatives are staying in Berlin and may visit Pyongyang, even though no final decision has been made on such a visit, President No Tae-u met with President Bush in the United States and discussed the reunification of the Korean peninsula as the first on their agenda.

Before returning home, in Vancouver, Canada, President No gave instructions to "accept North Korea's proposals to hold a North-South cross-country march and an international seminar on reunification and to find ways for the North and South to jointly sponsor them." Also, the government has decided to positively allow university student council presidents, university newspaper reporters, and student activists to visit North Korea. It has also been reported that the government would allow dissidents in South Korea to attend those activities to be jointly sponsored by the North and South and to widely open South Korea's doors to North Korean personages and university students. President No appears to have gained more 'confidence' in reunification after meeting with President Bush. During his arrival statement on the afternoon of 7 July at Seoul Airport, he said: "Through my U.S. visit, I have once again come to firmly believe that the day when external factors hindered Korea's reunification has passed." He also said: "We will achieve reunification by our own efforts." We once pointed out that President No has an incorrect perception of the U.S. troops and nuclear weapons, which are related to reunification. His 'Vancouver instructions' and his arrival statement have confirmed it once again.

The United States has stationed troops in the ROK and had operational control over the ROK Armed Forces for more than 40 years and has deployed massive nuclear weapons in South Korea. So, we cannot understand how he has come to firmly believe that he could 'independently' achieve reunification after freeing himself from U.S. influence under these circumstances. Also, he said: "We will achieve reunification by our own efforts." Whom does he mean by 'we.' Does he mean all the members of the national community or, in other words, 70 million people in North and South Korea and overseas? Does he mean bureaucrats, soldiers, politicians, and political activists of the North and South? Or, does he mean those in the No Tae-u regime?

Reunification means reunifying what has been divided. Everything on the Korean peninsula was one. There was one territory, one blood, one culture, and one language. Outside forces have divided them into two. Reunification can be achieved when all the members of our community make a joint effort. Not only the regimes of North and South Korea but also all the members of the national community who have different ideas and ways of life must embark upon the road to reunification.

However, we consider the 1991 summer 'reunification offensive' by President No and the government authorities as a political propaganda ploy, rather than a substantial effort. We cannot but again ask: How can one pursue reunification while, as the National Security Law does, one considers North Korea as an 'antistate organization'? The regime detained a young student at Seoul's Institute of Social Sciences on charges that his article carried in a social science magazine was 'beneficial to North Korea.' It also booked some artists on charges of possessing 'materials beneficial to the enemy.' In reality, they possessed a book that contains a letter explaining why the detained artist Hong Song-tam appealed. Thus, it is against common sense when a regime of this nature says that it will achieve reunification with its 'enemy.'

Also, why do they say that they will achieve reunification while detaining the pastor Mun Ik-hwan and Miss Yim Su-kyong for their devoted activities in North Korea, and Father Mun Kyu-hyon, whose unsurpassed desire for reunification has become legend, and so-called 'longtermers' who have been detained for decades for having refused to be converted from what they believe?

It is good for reunification for the youth and students of the North and South to visit the other side of the divided territory and to see each other's system and daily life in person. However, antireunification is the logic by which those who merely read or possess books published by the other side are arrested and by which one can visit the other side only if one obtains approval from the government.

We think that it is time that the North Korean regime, too, mark a turning point in its perception of the reunification movement. North Korea introduces only portions of South Korean reality to its people and reports on or interprets the democratizations movement and the reform movement in South Korea in ways favorable to it's cause. This is not beneficial to reunification.

Whenever they faced a crisis in domestic politics, both Mr. Pak Chong-hui and Mr. Chon Tu-hwan tried to find a way out by improving North-South relations, and it is a fact that such maneuvers worked temporarily. We think that President No Tae-u is now at a cross roads at which to decide whether he will resign from politics or not. We worry about the possibility that the reunification movement may be used politically. We also advise that those responsible for the regimes of the North and South refrain from political propaganda aimed at maintaining their own establishments.

## Statement Issued on Reform, Talks With North

*SK0807025791 Seoul YONHAP in English 0141 GMT 8 Jul 91*

[Text] Seoul, July 8 (OANA-YONHAP)—Thirty-two prominent South Koreans, including former prime ministers, university presidents, and spiritual leaders, issued a statement Sunday calling for social reforms and a return to ethics in politics.

They also invited their North Korean counterparts to join with them in taking active steps to unify the Korean peninsula, starting with regular talks.

Yi Pyong-ho, president of the Asia-Pacific Bar Association, reportedly plans to visit North Korea in mid-August to officially propose opening the dialogue.

Cardinal Stephen Kim Su-hwan, former Prime Ministers Pak Chung-hun and Kim Chong-yol, and former speaker Ko Hung-mun were also among the signatories urging dramatic reforms in politics, economics, education, and culture to "set the country on the right course and build harmony based on law and justice."

The statement said the most important tasks facing the nation were to put ethics back into politics, distribute wealth equally, and banish real estate speculation.

"University students have built a tradition of leadership in breaking through the dark moments in history, but they have fallen into antidemocratic violence and extremist ideologies," it said.

The signatories said they hoped to inaugurate an organization of about 1,000 social leaders, statesmen, and businessmen in August.

"We cannot idly watch the destruction of social ethics and the continued division of our country," the statement said.

## North Suggests Single UN Resolution for Entry

*SK0607050491 Seoul YONHAP in English 0315 GMT 6 Jul 91*

[Text] Seoul, July 6 (OANA-YONHAP)—North Korea recently suggested that it would like its application for United Nations membership handled in a single resolution with South Korea's application, a ranking government official said Saturday.

The Soviet Union and China, both permanent members of the U.N. Security Council, conveyed the North Korean intention to the United States recently, he said.

The U.N. Security Council will convene in mid-August, and North Korea's position increases the possibility that the applications will be handled as one. South Korea has already expressed the hope to join the world body with North Korea in a single resolution.

John Bolton, U.S. assistant secretary of state for international organization affairs, told a press conference here Friday that discussions had been made within the Security Council about following the German formula on Korea's membership bid.

"It's a historic precedent that is out there," he said.

East and West Germany joined the United Nations in 1973 in a single resolution.

The United States reiterated during President No Tae-u's visit to Washington this week its basic principle that any improvement in relations between Pyongyang and Washington must follow two conditions—North Korea must sign and faithfully implement the nuclear safeguards accord, and there must be meaningful progress in inter-Korean dialogue.

The U.S. stance was reaffirmed during a meeting between Korean Foreign Minister Yi Sang-ok and U.S. Secretary of State James Baker, the official said.

No and President George Bush held a summit July 2 in which North Korea's nuclear inspection issue was a crucial topic.

## South Refuses North for Pannational Meeting

*SK1007052791 Seoul YONHAP in English 0509 GMT 10 Jul 91*

[Text] Seoul, July 10 (YONHAP)—South Korea has denied North Korea permission to send a delegation through the truce village of Panmunjom to Seoul next week for a preparatory conference on a pan- national meeting, an official at the Unification Board said Wednesday.

"It is the government's position to not approve the meeting because Pyongyang's purpose is subverting the South," he said on condition of anonymity.

Yun Ki-pok, North Korean chairman of the pan-national association, said Wednesday in a message to South Korean Unification Minister Choe Ho-chung that the North would send five representatives and 10 reporters at 10 A.M. on July 17.

The Northern chief delegate was Chon Kum-chol, vice chairman of the Committee for Peaceful Reunification of the Fatherland, said Yun, who is also chairman of the Reunification Policy Committee. He also called on the South to ensure the safety of the delegation.

The Seoul conference will be the second preparatory gathering of representatives of South, North Korea, and ethnic Koreans living abroad. The first was in Berlin on June 29-30.

Participants are to discuss staging a pan-national meeting in the Southern capital in mid-August.

The South Korean radical student group Chondaehyop sent two students to the Berlin conference as observers in late June and Chairman Kim Chong-sik has been arrested for contacting North Koreans illegally.

## South Seeks To Assist Rice Shipment to North

*SK0907024191 Seoul THE KOREA ECONOMIC JOURNAL in English 8 July 91 p 10*

[Text] Officials of Cheonji Trading Co. of South Korea and Kumgangsan Int'l Trading from North Korea, business partners of the direct inter-Korea rice trading project, held a meeting recently in Tokyo and tentatively reached an agreement that Cheonji will ship 100,000 tons of rice within this year at international prices of $350 per ton, it was belatedly learned here.

At the meeting, Kumgangsan Int'l Trading reportedly promised to settle export payments for rice, totaling $35 million, with equal value of cement and anthracite coal over the next five years due to decreasing local production of the two materials.

However, since the North Korean firm continued to request that the South offer the detailed schedule of rice shipments, the two sides failed to reach a final agreement.

Meanwhile, based on the fact that the 100,000-ton export volume is too big for a trading firm to handle, the South Korean government plans to shortly hold a working level meeting of related government offices to seek ways to help assist Cheonji and confirm detailed shipping schedule.

## South Ready To Discuss Replacing Agreement

*SK1007091391 Seoul YONHAP in English 0758 GMT 10 Jul 91*

[Text] Seoul, July 10 (YONHAP)—South Korea is ready to actively respond if North Korea offers to replace the 1953 Armistice Agreement, Foreign Ministry officials said Wednesday.

The armistice could be replaced by a new peace device only if South and North Korea agreed, and would remain in force until the new device came into existence regardless of both Koreas' entry into the United Nations, they said.

North Korea has filed an application for U.N. membership and the South will follow suit late this month or early next month.

Any new device was likely to take the form of the inter-German "treaty on the basis of relations" signed in 1972, not a "peace treaty" as was often said.

A peace treaty is signed to legally end a state of war between two sovereign nations, but South and North Korea do not recognize each other as "sovereign" nations.

Korea was divided into capitalist South and communist North at the end of World War II in 1945 and the two sides fought a three-year war until an armistice silenced the guns in July 1953.

"It is natural that South and North Korea lead replacement of the armistice even though we didn't sign it. We didn't sign it because we opposed it, not because we couldn't," one of the officials said.

Quoting Paragraph 62 of Article 5 of the armistice, they said the agreement will remain in effect until a mutually acceptable revision or provision takes its place.

"Articles and paragraphs of the Armistice Agreement shall remain in effect until expressly superceded either by mutually acceptable amendments and additions or by provision in an appropriate agreement for a peaceful settlement at a political level between both sides," Paragraph 62 states.

The officials said discussions about replacing the Armistice Agreement were likely to gain momentum after the two Koreas joined the United Nations this fall and would herald arms reduction talks.

### University Leaders Urge Korean Student Exchange

*SK0607125291 Seoul YONHAP in English 1208 GMT 6 Jul 91*

[Text] Cheju, Korea, July 6 (YONHAP)—Heads of South Korea's 108 colleges and universities Saturday proposed that South and North Korean universities exchange university presidents and college deans in order to overcome the cultural heterogeneity of the two sides and to discuss academic exchange and matters of common interest.

In a meeting of the Korean University Education Council (KUEC), the top educators shared the view that exchange of professors and students between the two Koreas is urgently needed to advance the national reunification and tackle the conflicts rising from cultural differences of the two sides, KUEC chairman Pak Yong-sik, president of Seoul's Yonsei University said.

The presidents and deans urged the South Korean government to render support for their proposal.

If North Korea complys to the proposal for the exchange, the South Korean academicians will positively deal with them, Pak said.

### Journalist Group Wants To Send Students North

*SK0707051191 Seoul YONHAP in English 0458 GMT 7 Jul 91*

[Text] Seoul, July 7 (YONHAP)—A university journalist group of South Korea has decided to send 30 students to North Korea on a news coverage mission Aug. 10-20 after negotiations with government officials this week.

Seodaeginyon (University Journalist Association of Seoul), in a central management committee meeting on Saturday, agreed to promote its first adventure into Pyongyang unless the government attempts to take political advantage of it.

Seodaeginyon will discuss precedures with National Unification Board officials Monday, submit an application Thursday and begin to select candidates Friday.

A contact with (North) Korean Students Committee through National Unification Board is also under consideration.

The South Korean Government is encouraging Pyongyang-bound visits by student organizations in recent weeks, an abrupt turn from stubborn ban even to the surprise of many student activists.

"We intend to approve all applications if students promise not to have political rallies in North Korea," a National Unification Board official said.

### North-South Korean Scientists To Meet in China

*SK1007091491 Seoul YONHAP in English 0829 GMT 10 Jul 91*

[Text] Seoul, July 10 (YONHAP)—Hundreds of Korean scientists from around the world will descend on the autonomous city of Yanji in north China next month to swap scientific information and engage in scholastic exchanges, a source said Wednesday.

Invitations were sent to 290 scientists and technicians, including 45 in North Korea, 130 in China, nine in the United States, two each in Canada and the Soviet Union, and 99 in South Korea, the source said on condition of anonymity.

The event is co-sponsored by the Korean scientists association north China and the science and techonology association of the Korean Autonomous District of Yanbian.

He said 200 thesis presentations are expected in seven areas: mathematics, geology, chemistry, environmental engineering, landscape architecture, pharmaceutics, and drug testing.

The exchange could break the ice between South and North Korea and stimulate debate on an exchange of scientists and joint research into a common scientific lexicography, meteorological communications network, and Antarctic study.

A tentative agreement was reached between Seoul and Pyongyang to hold the second conference in Pyongyang next year and the third in Seoul in 1993, he added.

The South Korean delegation will have an inauguration ceremony on Aug. 1 headed by Min Kwan-sik, honorary chairman of the Korea Federation of Scientific and Technological Societies, and by Cho Wan-kyu, president of Seoul National University.

## Companies To Participate in Damascus Trade Fair

*SK0607082691 Seoul YONHAP in English 0518 GMT 6 Jul 91*

[Text] Seoul, July 6 (YONHAP)—South Korea will have a pavilion at the Damascus International Fair for the first time this year, and 13 companies will take part in the Oct. 8-Sept. 10 exhibition, the Korea Trade Promotion Corp. [Kotra] said Saturday.

It will be a good opportunity for Korea to improve relations with Syria, with which it lacks diplomatic ties, Kotra said.

Kotra has selected Samsung, Hyundai, Goldstar, and 10 other general trading companies to have stands on the 1,282-square-meter Korean pavilion.

These companies plan to display such capital and consumer goods as home appliances, cars, automotive parts, textiles, garments, machines, chemicals, plant, and office supplies.

North Korea prevented South Korea from participating in previous Damascus international fairs, but with the help of normalization of diplomatic ties with East-bloc countries and Vietnamese glasnost, Syria permitted Seoul to join this year.

Kotra is making preparations to take part in 10 other trade fairs and exhibitions this year.

## * General Trading Firms Conduct Technology Trade

*912C0210A Seoul CHUGAN CHOSON in Korean 21 Apr 91 pp 20-23*

[Article by reporter Chong Chang-yol: "Technology Trade Is Thriving as General Trading Firms Buy High Technology From Advanced Countries and Sell Know-How to Developing Countries"]

[Text] General trading companies in our country are actively launching into technology trade. In the past, general trading firms used to import or export finished goods. But they are now treating invisible technologies as a kind of tradable product.

The words technology trade literally mean buying and selling of technologies. Technology trade is not something new. Our manufacturing firms buying an advanced technology from an industrialized nation by paying a costly royalty is also a form of technology trade. Recently, our manufacturing firms, having accumulated their own technologies to some extent, are now engaging in technology trade in the form of transferring technological know-how to less developed nations in Southeast Asia and elsewhere.

### Side Income From Technology Transfer

Technology trade conducted by general trading firms, unlike that by manufacturing firms, is not intended for the acquisition of technology. What general trading firms seek is, true to their attributes, a profit accruing from the process of selling and buying technologies. For example, when a firm wants to sell a particular technology and another firm wants to buy this technology, a general trading firm arranges for them to sign a contract and earns a commission and various other side incomes. That is a typical form of technology trade conducted by general trading firms. In short, they act as a technology brokerage house.

Our general trading firms actively launched into this kind of trade three or four years ago, stressing what they call "technology trade" or "technology dealings." In particular, large general trading firms have been paying keen attention to technology trade by setting up special divisions and training experts in this field.

Technology trade conducted by our general trading firms can be divided roughly into two categories. One is introducing specific technologies from the United States, Japan, and other technologically advanced nations and selling them to small and medium-size enterprises in our country. The other is selling technologies possessed by our firms to foreign firms in Southeast Asia.

Among our general trading firms, Hyundai Corporation and Lucky-Goldstar are very active in the pattern of technology trade in which they buy technologies from advanced countries and sell them to small and medium-size enterprises in the country. Hyundai Corporation in particular is actively dealing in technologies used in machine tool production by buying high technology from overseas and selling it to small and medium-size enterprises in our country.

Last year Hyundai Corporation imported a special machining center building technology from Hucke [name as published] Company in the United States and signed a contract to transfer it to Taegu Heavy Industries. A special machining center is a machine tool used in processing metals; and because it is operated by computerized numerical control (commonly known as CNC), it requires a highly advanced technology in its manufacture. Since 1986, Hyundai Corporation has signed 10 or more contracts to introduce similar machine tool building technologies from the United States and Germany and sold them to small and medium-size enterprises in our country.

The technology transfer contract signed between Hucke [name as published] and Taegu Heavy Industries through Hyundai Corporation was a deal amounting to 1 billion won, out of which Hyundai Corporation netted a 3 percent or so commission as usual. This was a small portion of the annual gross sales of the corporation amounting to tens of trillions of won. Nevertheless, general trading firms earn a considerable amount of side income through technology transfer contracts like this.

General trading firms do not simply broker technology transfer but sign other related contracts also. For instance, they obtain from the provider of the transferred technology an exclusive right to import its finished products which are manufactured by using that particular technology. At the same time, they obtain from the buyer of the technology an exclusive right to sell and export products manufactured by using the transferred technology. Hyundai Corporation singed a contract for the transfer of what is known as the "wide belt sander" machine tool building technology to Youngchang Akki [musical instrument] Company in 1987. Since then Hyundai Corporation has exported $1.5 million worth of musical instruments manufactured by using the wide belt sander technology and has sold $1 million worth of musical instruments at home.

Cho Kwang-sik, chief of the second machine section of Hyundai Corporation, said that "small and medium-size enterprises have no alternative but to sign technology transfer contracts through general trading firms because they lack information on foreign firms." He added, "small and medium-size enterprises also benefit a lot from such technical transfers because general trading firms sell their products on a stable basis." He also said: "There is very little risk for domestic enterprises in receiving technology transfers because the profitability of technologies is fully studied before their transfer. In addition, general trading firms make arrangements for overseas training of technical personnel and all other necessary measures related to technical transfers. For these merits accompanying technology transfers, our small and medium-size enterprises prefer technology transfer through general trading firms."

**Small Firms, Lacking Overseas Information, Import Foreign Technology Through General Trading Firms**

Lucky-Goldstar is also active in technology trade. Last summer it signed a contract to receive technological information from Technology International Exchange, a U.S. industrial technology research institute, and early this year it signed a similar contract with the "Automatic Energy Authority Institute" under the British Atomic Energy Agency. Through such contracts, foreign research institutes supply detailed information on the various technologies that enterprises in their countries want to transfer overseas. In many cases, general trading firms obtain information through their networks of overseas branches. When they use research institutes like the ones mentioned above, they can obtain accurate information more speedily.

Since 1980, Lucky-Goldstar has signed four to five contracts a year to transfer technologies from foreign firms to domestic enterprises.

However, it refuses to give details on the substance of the technology transfer deals.

Kim Pong-hoe, chief of the new projects team of the Lucky-Goldstar's Office of Strategic Business Operations, said, "We cannot divulge the substance of the technology transfers because they are a business secret from the firms at the receiving end of the technology transfers." He added: "If the details on the technology transfer are made available to a competing firm, it can map out a counter strategy in advance. Also from the standpoint of the general trading firm which brokers technology transfer, it is a common practice not to divulge the details of the deal with a view to living up to the trust of the customer."

What we cannot overlook when we speak of the importation of advanced technology by enterprises is the efforts of our large corporations to promote technology exchange with the Soviet Union and East European countries. In this area also, our general trading firms are playing a considerable part.

Among our general trading firms, Daewoo Corporation and Samsung Company, Limited are active in technology exchanges with the Soviet Union and East European countries.

Late last year Daewoo Corporation signed contracts with Ioffe Institute, a physics technology center under the Soviet Academy of Sciences, and eight technology institutes under the USSR Ministry of Atomic Power to establish joint venture firms. Through the joint venture firms which will be established this year, Daewoo plans to push for the commercialization of the advanced technologies possessed by these Russian institutes in order to produce goods by using these technologies and to sell them at home and abroad. Reportedly, the firm to be built in Leningrad as a joint venture with the Ioffe Institute will be capitalized at $300,000; and the firm to be built in Seoul jointly with the USSR Ministry of Atomic Power will be capitalized at 250 million won.

Daewoo is confident about the prospect of success for these joint ventures because it has fully scrutinized the technologies offered by the Russian side since it embarked upon pushing for the ventures in 1988. For instance, the carbon fiber compounds technology slated to be transferred from the USSR Ministry of Atomic Power is the kind of technology which in the United States and Japan is classified as a core technology and which they are reluctant to transfer overseas. When the commercialization of this technology proves successful, it will pave the way for developing high-tech materials used in automobiles, aircraft, and sporting goods.

Along with establishing a joint venture firm with the USSR Ministry of Atomic Power, Daewoo plans to set up a technological center at Aju University to exhibit the technologies which it is pushing for commercialization, with a view to luring interested small and medium-size enterprises.

Samsung Company is also actively participating in projects designed to introduce advanced technology from the Soviet Union and East Europe. Under contracts with Soviet and East European state-run enterprises specializing in technology transfer, Samsung has obtained the substance of thousands of transferable technologies, which its affiliates are carefully studying to determine the feasibility of their commercialization. The USSR's Licensintorg, China's CNTIC, Czekoslovakia's Polytechna, and Bulgaria's Technika are the firms specializing in technology transfer with which Samsung has signed contracts.

Last year Samsung Company introduced external cholesterol testing instrument manufacturing technology from the Soviet Technology Patent Office for transfer to Samil Pharmaceutical Company. Samil succeeded in developing a drug by using this technology and is slated to turn out a trial product this June. If successful, this will be the first case of commercialization of technology transferred from the Soviet Union and East Europe. Samsung Company said that "when the commercialization of a transferred technology proves successful, about 5 percent of the money invested for the commercialization will be paid as licensing fee." "In addition," it said, "when the drug is put on the market, 10 percent of the sales will be paid to the Soviet side each year as royalty."

### Auto Parts Firms Contract To Transfer Technology to Southeast Asia

Along with selling technologies introduced from overseas, general trading firms are also jumping into the opposite form of trade in which technologies possessed by our domestic firms are sold to underdeveloped countries.

Early last year Lucky-Goldstar signed a contract to transfer its cooling fan motor manufacturing technology to an affiliate of Ston India [name as published] Company of India. This Indian firm used to manufacture rolling stock parts, but recently it decided to import the technology used in manufacturing cooling fans for computers as it began to produce computer parts. It is receiving technology transfer by paying $500,000 as a down payment. Lucky-Goldstar, jointly with Pukdu, a loudspeaker manufacturer, formed a joint venture with Indonesia's Astra [name as published] Company late last year, and at that time, it signed a contract to provide Pukdu's speaker manufacturing technology to the joint venture firm.

Recently, Hyundai Corporation has been actively promoting contracts to transfer overseas the technologies of those small and medium-size enterprises which supply auto parts to Hyundai Motor Company, a firm belonging to the Hyundai group. Late last year Hyundai Corporation signed contracts to transfer technologies from three Korean auto parts manufacturers, namely, Hoehun Company, Tongyang Industrial Company, and Hungsin Metal, to Malaysian firms. These three contracts were written in the form of establishing joint ventures by Hyundai Corporation, the Malaysian firms, and the Korean technology providers. By this kind of contract, Hyundai Corporation secures the right to supply various equipment to joint venture plants, in addition to earning commissions on the contracts. Currently, Hyundai Corporation is promoting more than 10 similar technology transfer contracts.

That our general trading firms are venturing into various forms of technology trade has something to do with their diminishing position. In the past they played the role of the locomotive engine for export. But recently their field of activity has been shrinking gradually with small and medium-size enterprises handed their own export activities such as establishing separate divisions specializing in trade, and as manufacturing firms of each conglomerate launched into trade on their own, banking on the information network they have built for years. Exports by conglomerates peaked in 1983 accounting for 50.5 percent of the total domestic export but subsequently decreased accounting for less than 40 percent in 1987. Last year the figure stayed at 37.9 percent. In business circles, the trend of our general trading firms to launch into new types of business, such as overseas assistance development and technology trade, is interpreted as an effort on their part to find a way out of this predicament.

## Direct Sea Route to Soviet Union Opens

*SK1007020591 Seoul THE KOREA TIMES in English 10 Jul 91 p 9*

[Text] A direct sea route opened between Korea and the Soviet Union yesterday as a container vessel departed Pusan for the Soviet Far East port of Vostochny and a Soviet vessel vice versa simultaneously.

The opening of the regular service has been realized after two and a half years since the two governments started consultations in December, 1988. The Pusan-Vostochny route is the first direct sea route between Korea and the Soviet Union.

A spokesman for the Korea Maritime and Port Administration said a 7,600-deadweight-ton container vessel, Trade Luck, with a loading capacity of 429 TEUs (twenty-foot equivalent units) departed Pusan at 5 p.m. yesterday with 105 TEUs of cargo such as TV sets and other electronics goods, soaps, tooth paste and raw material for synthetic resin.

The Cyprus-flag vessel has been chartered for the service by the Korea-Soviet Shipping Co., a joint venture firm by Hyundai Merchant Marine Co. and Chunkyung Shipping.

Korea-Soviet Shipping is a partner to the Soviet state-run Far Eastern Shipping Co. (FESCO) in joint vessel operation between the two ports.

The spokesman said the vessel is scheduled to arrive at Vostochny Thursday or Friday.

He said the 320-TEU Soviet ship, Kapitan Gnezdilov is also scheduled to arrive at Pusan Thursday after a three-day voyage from the Soviet Far East port.

The two vessels will provide one roundtrip voyage per week between the two ports.

Cho Yong-hun, director general for maritime policy, said it will cut transportation costs for bilateral trade cargo and will facilitate the transportation for tied-loan commodities to be shipped to the Soviet Union from this month.

Navix Line of Japan has transported cargo between Korea and the Soviet Union since 1978 but it halted the direct service last Wednesday as the two governments agreed to exclude third country vessels in direct service.

Meanwhile, Tonghae Shipping Co., a joint venture firm between Korea's Wooshin International Transport and Sovfracht of the Soviet Union, will undertake cargo collection and agent service for the operation.

## Soviets Release Fishing Boat Captured 29 Jun

*SK0707012991 Seoul THE KOREA TIMES in English 7 Jul 91 p 2*

[Text] A Korean fishing boat and its eight seamen were released from Soviet detention early yesterday morning on a promise of payment of $17,960, the Foreign Ministry announced.

The 50-ton fishing boat, No. 2 Kumgwang, had been captured by a Soviet patrol boat some 204 miles northeast of Ullung Island on June 29.

The boat left the port of Nakhodka in the Soviet Far East at 3:30 a.m. yesterday after the Korean embassy in Moscow guaranteed the payment to a Soviet committee for the protection of fisheries resources based in Vladivostok through a Soviet bank, according to a Foreign Ministry spokesman.

It was the first case of the Soviet abduction of a Korean fishing boat since Seoul and Moscow established full diplomatic ties in September, 1990.

## Ship Captured in Soviet Waters Returns Home

*SK0907084791 Seoul YONHAP in English 0802 GMT 9 Jul 91*

[Text] Seoul, July 9 (YONHAP)—The No. 2 Kumgwang-ho, a 59-ton fishing smack seized by a Soviet patrol boat on the high seas 200 milies off Ullung Island on June 29, returned home Tuesday.

The ship left Kampo port near Pohang with a crew of nine late last month with two other boats to fish for stingray. It was captured for violating Soviet waters.

Korea promised to pay a fine of 19,200 rubles (17,990 U.S. dollars) and the boat was released by the port authority of Nakhodka a week later.

The national maritime police have decided to arrest captain Kim Kil-chong under the fisheries law, but not his eight crew members, after investigating why they were in Soviet waters.

## TV To Air First Live Broadcast From USSR

*SK0707024091 Seoul YONHAP in English 0522 GMT 6 Jul 91*

[Text] Moscow, July 6 (YONHAP)—A South Korean television station broadcast live from the Soviet Union for the first time on Saturday.

KBS-TV showed a volleyball match between Korea and the Soviet Union at Dynamo Gymnasium in Moscow from 1 to 3 A.M. through the Soviet Communications Ministry and a satellite over the Indian Ocean.

Frustrated viewers in Korea had their screens blanked out at precisely 3 a.m., when the two-hour lease on the satellite expired, just as the score was tied two all and the final set was about to begin.

## Ministries Disagree Over Air Routes to PRC

*SK1007074391 Seoul YONHAP in English 0728 GMT 10 Jul 91*

[Text] Seoul, July 10 (YONHAP)—The Transportation Ministry wants to accept a Chinese offer to open an air service between Seoul and Shanghai, but the Foreign Ministry insists that a Seoul-Beijing route be opened first.

Working-level officials from the two ministries met Wednesday to discuss whether to open the Seoul-Tianjin and Seoul-Shanghai lines that China proposed, but were unable to agree, a source said.

Foreign Ministry officials argued that Seoul should negotiate on opening a Seoul-Beijing air service because the mood around the Korean peninsula took a turn in favor of Seoul with the likelihood of simultaneous U.N. entry of South and North Korea, he said.

A Foreign Ministry official said opening the Seoul-Shanghai and Seoul-Tianjin lines could be agreed at any time, but concluding an aviation agreement was nearly as vital as setting up diplomatic ties. It was desirable to persuade the Chinese to open a Seoul-Beijing line first even though it might need time and patience.

Seoul and China are expected to hold air talks in early August in Beijing and initial an aviation agreement, he said.

South Korea hopes to establish diplomatic ties with China, but Beijing has been reluctant, apparently being wary of angering its long-time ally Pyongyang.

## Chinese Sports Minister's Visit Announced

*SK0807040391 Seoul YONHAP in English 0223 GMT 8 Jul 91*

[Text] Seoul, July 8 (YONHAP)—South Korea and China have agreed to initial protocols on exchanges of coaches and sports information and on allowing athletes from the other side to train in their nations, Sports and Youth Minister Pak Chol-on said Sunday.

In an arrival statement at Kimpo International Airport upon returning from China, he called the agreement an epoch-making step forward in relations between Korea and China. The nations lack diplomatic ties, but have exchanged trade representatives.

He was invited by Wu Shaozu, state physical culture and sports minister, and Beijing Mayor Chen Xitong, president of the Chinese National Olympic Committee.

Drawing up the protocol and a supplementary working-level agreement would be entrusted to the international directors of two sides, he said.

Chinese delegations were likely to visit very soon to learn from Korea's experience in hosting the Olympics and Paralympics in 1988, and Wu would pay an official visit before the fall, Pak said.

## Trade With ASEAN Up in First Four Mouths

*SK0807083791 Seoul YONHAP in English 0807 GMT 8 Jul 91*

[Text] Seoul, July 8 (YONHAP)—South Korea-ASEAN trade soared 37.3 percent in the first four months to 4.03 billion U.S. dollars, the Trade and Industry Ministry said Monday.

Exports were up 35.1 percent over a year earlier at 1.98 billion dollars, and imports surged 39.5 percent to 2.05 billion dollars.

Trade with Indonesia was first at 1.1 billion dollars, followed by Singapore at 1.0 billion dollars and, in order, Malaysia, Thailand, the Philippines, and Brunei.

Trade with the six members of the Association of Southeast Asian nations accounted for 9.3 percent of Korea's exports and 7.7 percent of its imports.

Exports of electric and electronic goods, textiles and steel were strong, but machinery slipped 11 percent due to the export slump to Singapore.

Imports were led by crude oil, lumber, electric, and electronic goods, machinery and steel from Malaysia, Indonesia, and Thailand.

## Seoul Wants APEC To Adopt Constitution

*SK0807041191 Seoul YONHAP in English 0202 GMT 8 Jul 91*

[Text] Seoul, July 8 (YONHAP)—South Korea will seek to have the Asia-Pacific Economic Cooperation (APEC) adopt a constitution during its ministerial conference in Seoul in November, upgrading the unofficial forum to a formal alliance promoting free trade in the region, because President No Tae-u's state visits last week brought a consensus among Korea, the United States, Canada, and Australia that makes this appear possible, official sources here said Monday.

Korea will also ask ASEAN, the six-member Association of Southeast Asian Nations, to take a more active role in APEC at a post-ministerial conference in Malaysia in mid-July, the sources said.

The constitution, it was also learned, is expected to emphasize cooperation and APEC's role as an open regional body aimed at free trade.

Differences among members had prevented the writing of a constitution or bye-laws setting the budget, but as there is now a consensus Korea will push for adoption of regulatory documents.

The Korean Government will individually contact ASEAN members and conclude a draft constitution during working-level talks in Seoul next month.

## Trans-Siberia Railway Freight Statistics Listed

*SK0507060291 Seoul YONHAP in English 0520 GMT 5 Jul 91*

[Text] Seoul, July 5 (YONHAP)—The amount of cargo carried between South Korea and Europe by the Trans-Siberian Railway (TSR) peaked at 2,105 teus (20-foot equivalent units) in March and slid to 932 teus in June, shipping sources said Friday.

The figures were 1,964 teus in April and 1,383 teus in May.

The reason for the drop is that shipping by sea is cheaper, the sources said.

"It shows that the extraordinary demand caused by the Gulf conflict has diminished and things are back to normal," said an official of Woojin Shipping Co., the agent for the TSR service in Korea.

Lots of shipments to Europe used the TSR to avoid the Persian Gulf before and during the war, he said.

The amount of cargo carried between Korea and the Soviet Union by the TSR has fallen from 835 teus in March, to 712 teus in April, 478 teus in May and 264 teus in June, the sources said.

The reason is that Korean exporters are reluctant to send goods as Soviet buyers often do not pay on time. The situation may be remedied if the Soviets use the 3 billion U.S. dollars in aid promised by Seoul.

Cargo carried between Korea and the Soviet Union by TSR in January-June amounted to 59,000 tons, down from 114,516 tons a year earlier, they added.

## Yi Sang-ok, Canadian Counterpart Hold Talks

*SK0507065291 Seoul YONHAP in English 0450 GMT 5 Jul 91*

[Text] Ottawa, July 4 (YONHAP)—South Korean Foreign Minister Yi Sang-ok told Canadian Foreign Minister Barbara McDougall on Thursday that Korea would gradually accept Canada's demands for enhanced fisheries cooperation.

McDougall told Yi that Korea's driftnet fishing and other countries' fishing in the north Pacific and northwest Atlantic had caused unemployment of fishermen and closure of fish processing factories in Canada and asked Korea to join the Northwest Atlantic Fisheries Organization.

Yi said two of the seven Korean fishing boats operating in the waters at issue had been withdrawn and that one or two more would be removed next year. As for other countries' fishing boats, Yi said he would make efforts to ban Korean fishermen from working on them.

Yi said multilateral consultations were needed to settle the issue of driftnet fishing.

McDougall suggested Canada might work with Korea to exploit oil and gas deposits in Siberia.

The two ministers signed a memorandum of understanding on economic cooperation initialed in Seoul in November 1990.

Yi is traveling with President No Tae-u on his state visits to Canada and the United States.

## Cooperation With Australia Expanded in Mining

*SK0907130291 Seoul YONHAP in English 1233 GMT 9 Jul 91*

[Text] Seoul, July 9 (YONHAP)—South Korea and Australia agreed to expand cooperation in clean coal technology and promote joint study and exchanges of experts in ore development and mining product processing technology in a two-day meeting of the bilateral resources cooperation committee that closed Tuesday.

Seoul asked for correction of Australia's bulging trade surplus with Korea, and Canberra replied that it was making efforts to redress the trade balance by cutting tariffs on Korea's promising export items and dispatching buying missions to Seoul.

Korea also called for a change in Australia's policy of restricting Seoul's development projects to three mines, and Australia said its ruling party decided to maintain the policy for the next two years.

Australia showed interest in South Korean enterprises' intention to participate in oil development projects in the Timor Gap Sea and promised to provide necessary information on the matter.

### Trade Agency Promotes Barter With Burma, Vietnam

*SK0907031791 Seoul THE KOREA ECONOMIC JOURNAL in English 8 Jul 91 p 8*

[Text] Korea Trading International has been promoting barter trade with Myanmar [Burma] and Vietnam in an effort to help diversify export markets for Korean small-sized exporters, trading sources said.

Korea Trading International, a trading agency specializing in exporting small-and medium-sized industries' products, agreed with Vietnam early in June to promote barter trade, under which tapioca, natural rubber, and palm oil will be imported from Vietnam in return for the export of farm implements, food additives and insecticides for livestock, the sources said.

Korea Trading International plans to conduct a market survey in Vietnam in July in a bid to materialize barter trade scaled at $1 million this year.

Korea Trading International reportedly signed a $2 million barter trade contract with Myanmar in March this year and has since shipped $500,000 worth of farm implements to that country.

Korea Trading International also plans to export industrial chemicals and animal feeds to Myanmar on three separate occasions this year in exchange for natural rubber.

Korea Trading International also plans to promote barter trade with Poland and other East European countries, the sources added.

### Over 100 East Europeans to Join Summer Program

*SK0807035991 Seoul YONHAP in English 0300 GMT 3 Jul 91*

[Text] Seoul, July 8 (YONHAP)—Over 100 young adults from 21 nations will spend 10 days building friendships and learning to understand each other at a summer camp opening here on Wednesday.

The 115 men and women from the Soviet Union, Hungary and other countries in eastern Europe will join members of the Korean youth conference in the second annual summer school for international youth, sponsored by the Seoul YMCA. Its theme this year is, "A new beginning, you and me together."

The participants, all between 18 and 24 years old, will drive up to the camp in Yangpyong, Kyonggi Province, following an opening ceremony at Olympic Park.

Activities will include a visit to the truce village of Panmunjum in the Demilitarized Zone and to Independence Hall.

On July 19, the last day, there will be a discussion on the role of young people in the future and a declaration, titled "Voice of Youth," will be issued.

"With a viewpoint of international exchange, this event will be important to stimulate adult interest in youth. I will do my best to make this festival pan-national," says Kim Suk-chung, chairman of the summer school.

### * Discord Between Government, Conglomerates

*912C0206A Seoul CHUGAN CHOSON in Korean 14 Apr 91 pp 18-21*

[Article by reporter Pak Se-hun: "Conflicts Between the Government and Industries Regarding Policies of Industrial Specialization"]

[Text] The luncheon meeting with the new deputy prime minister, Choe Kak-kyu, on 22 March at the Businessmen's Club of the Federation of Korean Industries in Youido, attracted attention not only because it was the first face-to-face meeting between the deputy prime minister and the executive members of the Federation of Korean Industries, including the second-term president, Yu Chang-sun, but for other reasons as well.

Amid the heightened concern over the proposed new credit control bill aimed at encouraging the specialization of businesses of the conglomerates, the executive members of the Federation of Korean Industries were expecting the deputy prime minister's first-hand opinion on the selection of major businesses as part of business specialization.

They were dissappointed, however, at the last minute change of the main subject of the meeting to "Problems of Korean Economy From the Internationalization Point of View." The Federation of Korean Industries officials disclosed that the subject was changed at the request of the Economic Planning Board. The deputy prime minister did nothing more than emphasize the "basic economic principles," and the listeners did not pay much attention. The atmosphere became tense during the question-and-answer session after the speech.

After probing for some time, Yi Chun-lim, chairman of the Hyundai Corporation, broke the silence.

"While the net profit in the manufacturing sector was reduced by 4.3 percent last year, the financing expenses were increased by as much as 25 percent. Although our government asks the big corporations to specialize their businesses, U.S. Steel, for example, is diversifying its businesses in such a way that its steel-related business is less than 30 percent of its total business volume. We believe that efforts to diversify, rather than to specialize, will increase international competitiveness. Therefore, there is a problem in the government's request to uniformly select the major line of business," Chairman Yi said.

In response to Yi's comments, the deputy prime minister said, "I cannot understand our conglomerates crying for more money while they do whatever they want to do. Although there may be some resistance from the business sectors, now is the time for the conglomerates to change their spending habits."

"The concentration of economic power in a small number of conglomerates is the biggest problem that Korean business sectors have. I believe the businesses themselves know why credit control is necessary. Now is the time when self-reform in the business sector is necessary. They have to start separating ownership and management," the deputy prime minister added.

Despite Federation of Korean Industries President Yu's suggestion to answer while seated, the deputy prime minister kept raising his voice and said, "Since I am a National Assemblyman, I will answer standing." While Choe was delivering a response, the atmosphere was so cool that no one made any additional comments for a while even when they were asked by the deputy prime minister.

The second questioner, Kim In-tuk, chairman of the Pyoksan Group, complained to the government by saying that, "There is a lack of consistency in the government policy on the big companies' real estate. It is unfair for us to be forced to sell the real estate that we have owned for 20 to 30 years that is now unfairly categorized as non-business property."

The deputy prime minister did not soften his attitude, however. "Although some businessmen are worried about my 1970's bulldozer-style of pushing projects, I will not do so," said the deputy prime minister showing some softness in his tone. But his tone changed immediately when he said, "The real estate measure declared by the government on 8 May 1990 reflects the opinion of the majority of the people. Those industries that do not sell their non-business real estate should expect restrictions in financing or even harsher measures."

The meeting ended with only two questions from the floor and did not resolve the difficulties between the business community and the government. Some Federation of Korean Industries insiders made a judgment that the business community failed completely at this meeting to make the deputy prime minister understand what they want from the government.

The discord between the government and the business circles was at its peak last March, which was the government-set deadline for selling real estate for non-business usage according to the new business real estate measure announced in May 1990. There is growing friction as the government promotes a business specialization plan that is the main aspect of the new credit control system recently announced by the government. According to the new credit control system, the government asked the conglomerates to select and declare their major line of business from currently overly diversified businesses.

Many conglomerates have been complaining that the government's order to sell their real estate for non-business usage is unfair. Those who complain most are the Taesong Industries, Lotte, Hanjin, and Hyundai Groups who did not sell their real estate by the government-set deadline.

The Taesong Industries, which possesses the most real estate for non-business usage, mostly forests needed for future mine development, complained that the government's order to sell this real estate is unreasonable. Furthermore, the company was forced to purchase these forests from the government during the 1960's and 1970's.

The Hanjin Group, which has been named as a "speculative real estate investor" because of its possession of the Chetong Ranch on Cheju Island, also complains that the company was forced to purchase the ranch from the government, rather than to purchase it as a speculative investment.

The Lotte and Hyundai Groups, which own several pieces of prime real estate in the heart of downtown Seoul, including a lot for the second Lotte World in the Chamsil area and a lot in Yoksam-dong, Kangnam-ku, also argue that because of the government's delay in approving the development plan for these areas, they were categorized by the government as non-business usage real estate. The two groups argued that they did not intentionally delay the usage of these lots for their businesses.

The conglomerates' complaints are understandable because they have to sell their prime real estate at a substantially lower price than the fair market value of several hundred million dollars. Therefore, the government cannot unilaterally blame the conglomerates because the government also made substantial mistakes.

As rumors were spreading that those who own excessive real estate will be punished by the government as examples, the related conglomerates carefully tried to maintain low-key profiles. Some CEO's took unplanned foreign trips to avoid the government's attention.

The new policy of business specialization that the government has been promoting this year irritates the business circles that were already disturbed by the previous year's real estate measure.

The policy of business specialization, originally initiated by the economics team within the Blue House, has initially not been fully assessed because of strong opposition by the business community. Since a similar policy in the manufacturing sector showed a favorable response early this year, however, the originating group in the Blue House was encouraged to push the specialization policy again.

Chung Chu-yong, honorary chairman of the Hyundai Group, showed clear opposition to the business specialization policy at an airport interview upon his return from a visit to the Soviet Union last month. The Federation of Korean Industries, represented by leading conglomerates, officially disclosed their opposition to this policy by saying that "the government policy of business specialization is against the free competition principle of the economy."

Some senior businessmen compared the business specialization policy to the Japanese dissolving of conglomerates after World War II and did not hide their sense of uneasiness by saying that "although the government promises to expand its credit favor to the major business line, it appears that the government may be trying to reorganize the business community."

In fact, the government's credit control plan will provide more favor to the major businesses selected by the conglomerates by expanding credit to the major business lines rather than imposing restrictions on the minor business lines. The dissatisfaction of the business community, despite more positive aspects of the proposed plan, reflects a deep distrust of the government policies.

There were some arguments resulting from such different viewpoints between government officials and businessmen at a meeting late last month organized by the National Economic System Research Center. Businessmen complained that "the government appears to treat the business community like children in their forties. The business specialization policy is like advising grown-ups in their forties to watch out for cars while walking on the streets."

Distrust of the government heightens the sense of crisis among the people, together with the recent Suso real estate scandal involving the Hanbo Group and the illegal leakage of phenol into the drinking water by Tusan Electronics. Some businessmen have even questioned whether the government is intentionally targeting specific conglomerates.

There are growing criticisms of the easy-going attitude of the government officials of the Sixth Republic. With increasing scrutiny into government officials' wrongdoings, government officials are "just trying to avoid getting involved in potential problems," rather than promoting policies with a sense of responsibility and principle. Such an attitude makes it more difficult for businessmen to promote their businesses than in the past.

There is a good possibility that the discord between the government and the conglomerates will increase as the business specialization policy targeted for the 30 largest conglomerates is being actively implemented. Furthermore, if the government reinforces the restriction on stock ownership of these conglomerates, the reaction from the business community will be accordingly harsh. Under the increasingly difficult international economic environment, the internal discord between the government and the business community is said to be the biggest obstacle to the recovery of our economic power.

### Democratic Party Claims Others Monopolize Funds

*SK0907022491 Seoul THE KOREA TIMES in English 9 Jul 91 p 2*

[From the "press pocket" column: "Certain Unity"]

[Text] The splinter Democratic Party, which has been split since its humiliating defeat in the local elections, was united in criticizing the major ruling and opposition parties for what it claims are their attempts to monopolize political funds through the bi-partisan negotiations on that matter.

In a meeting of party lawmakers, the party decided to send party floor leader Kim Chong-kil and other party officials to Speaker Pak Chun-kyu to appeal for financial support for the minor party and plans to urge the whips of the major parties to quit the political fund talks.

The DP denounced the two parties for plotting to consolidate the two party structure by trying to monopolize political funds from government coffers.

### Assembly Speaker Apologizes to Kim Tae-chung

*SK0507024291 Seoul THE KOREA HERALD in English 5 Jul 91 p 2*

[From the "Out and About" column: "Speaker Seeks Apology"]

[Text] National Assembly Speaker Pak Chun-kyu yesterday sought to mollify the injured ego of opposition leader Kim Tae-chung. Pak offered an apology to Kim for his and the ruling party's ramming of two controversial bills through the unicameral legislature May 10.

Kim, who earlier expressed indignation over Pak's behavior, reluctantly accepted his apology, reported a spokesman for the New Democratic Party (NDP) leader.

Despite stiff objections from the NDP and other party lawmakers, the ruling Democratic Liberal Party lawmakers railroaded the "reform bills" through the Assembly in seconds. The stormy session was presided over by Speaker Pak who belongs to the government party which is represented by over two thirds of the 299-member legislative chamber.

The first of the "reform bills" concerned an amendment to the National Security Law. The amendment has narrowed the extent of punishment stemming from failure to report violations of the law to the law-enforcing authorities.

### Assembly Confirms Chong Won-sik Appointment

*SK0807083291 Seoul YONHAP in English 0815 GMT 8 Jul 91*

[Text] Seoul, July 8 (YONHAP)—The National Assembly confirmed the appointment of Chong Won-sik as prime minister by a vote of 203-to-65 on Monday.

Opposition lawmakers voted against [him] because President No Tae-u appointed him without the prior consent of the National Assembly.

### Minister Kim Tong-yong Resigns Due To Health

*SK0807040491 Seoul YONHAP in English 0253 GMT 8 Jul 91*

[Text] Seoul, July 8 (YONHAP)—First State Minister for Political Affairs Kim Tong-yong tendered his resignation to Prime Minister Chong Won-sik on Monday for health reasons.

Kim is recuperating at home after being released from Seoul National University Hospital on Saturday.

Rep. Kim Tok-yong of the ruling Democratic Liberal Party is expected to take his seat in the cabinet.

## Minister Announces Plan for New Satellite

*SK1007060491 Seoul YONHAP in English 0453 GMT 10 Jul 91*

[Text] Seoul, July 10 (YONHAP)—South Korea will launch a broadcasting and communications satellite in the mid-1990s to improve reception, Information Minister Choe Chang-yun said Wednesday.

The satellite, named "Mugunghwa," will have three channels for direct broadcasting by satellite (DBS) and four channels for video relay in addition to communications channels, and if a disaster knocks out the ground networks, broadcasting will be possible via the satellite, Choe told a meeting of broadcasters.

He also said his Ministry was doing research on how to meet the challenge of reunification with North Korea.

"We will make every effort to eliminate the psychological barrier among people on both sides through an exchange of programs and broadcasters and technical cooperation," he said.

Korea would pursue the juxtaposition of public and commercial broadcasting systems "but a minimum systematic device will be used to prevent commercial companies from monopolizing broadcasting and producing low-quality programs," Choe said.

Efforts would be made to promote provincial broadcasting to meet the need arising from local autonomy and the government may allow small-scale provincial broadcasting companies, he said.

The government would soon start preparations to reclaim Channel 2 from the U.S. Forces in Korea, he said.

Legislation for cable television, currently in trial operation, would be completed by the end of the year and related regulations by early next year, choe said.

In the development of high definition television (HDTV), Choe said, basic research into technology would be done by 1994, test broadcasting would start by 1998 and full broadcasting start in the early 2000s.

## Suso Housing Scandal Defendants Sentenced

*SK0507071191 Seoul YONHAP in English 0501 GMT 5 Jul 91*

[Text] Seoul, July 5 (YONHAP)—Three defendants in the Suso District housing scandal were sentenced to five to six years in jail and fined 270-200 million won each on Friday in Seoul District Criminal Court.

Chang Pyong-cho, a former presidential secretary for culture and sports affairs, Rep. Yi Tae-sop of the ruling Democratic Liberal Party [DLP] and Rep. Yi Won-pae of the opposition New Democratic Party [NDP] were found guilty of taking bribes in exchange for influencing a housing project in Suso District.

Chong Tae-su, chairman of Hanbo General Construction Co., three lawmakers and two others were also found guilty but were released on suspended execution of sentences, raising suspicions of favoritism in the biggest scandal since President No Tae-u took office in 1988.

Chong, NDP Rep. O Yong-un and DLP Rep. Kim Tong-chu were sentenced three years in prison with a five-year stay of execution and NDP Rep. Kim Tae-sik and two others got two and half years in prison with a four-year stay of execution.

## Government Announces Building Control Plan

*SK0907134491 Seoul YONHAP in English 1326 GMT 9 Jul 91*

[Text] Seoul, July 9 (YONHAP)—The government announced Tuesday a comprehensive construction control plan that will restrain annual nationwide housing supply at a level of 500,000 units this year and next, down from the originally projected 648,000 for this year and 600,000 for next year.

The measures, aimed at easing shortage of construction labor and materials and preventing jerry-building, were concluded at a meeting of economic ministers chaired by deputy prime minister and economic planning minister Choe Kak-kyu.

In Seoul's five new satellite cities, a supply of 30,000 apartments due between July and December was delayed until next year and another supply of 60,000 due next year was put off until 1993.

New construction permits will be unattainable until the end of June next year if they are for commercial purposes, such as entertainment shops, accomodation facilities, department stores and exhibition halls.

Construction for pharmacies, public bath facilities, small shops, and office buildings will have to await until next march.

Controls on the construction of milti-family homes will be extended from the end of this year to the end of next June.

The government, however, will continue construction of social infrastructures such as roads, railroads, and harbors.

## Task Force Set To Ensure Cement Supplies

*SK0507015591 Seoul THE KOREA HERALD in English 5 Jul 91 p 6*

[Text] The government, in a move to ensure smooth supply and demand of cement, yesterday decided to strengthen its efforts to root out unfair trade practices of the key construction material in the distribution process.

It decided to launch a 140-member joint task force to effectively cope with the problem, starting today.

In a meeting of relevant government ministries and agencies, headed by Kang Hyon-u, vice minister of the economic planning, the participants also decided to issue cement delivery warrants to actual consumers only, in order to prevent speculative demands.

The joint task force members are from the Office of National Tax Administration (ONTA), the National Police Headquarters, the Ministry of Trade and Industry and the Ministry of Construction.

The meeting also agreed to change the current three-day-a-week cement sales system to everyday for the customers' convenience.

### NSP Arrests Leader of Radical Student Group

*SK0907025791 Seoul YONHAP in English 0150 GMT 9 Jul 91*

[Text] Seoul, July 9 (YONHAP)—The Agency for National Security Planning (NSP) arrested Kim Chong-sik, the head of the radical student group Chondaehyop, Monday on charges of helping two students to make unauthorized visits to Pyongyang and organizing illegal demonstrations, an NSP official said Tuesday.

Seven or eight members of Chondaehyop, the National Alliance of Student Representatives, were also arrested in the raid on Kim's hiding place.

An arrest warrant for Kim was issued on June 4.

The NSP was trying to find out why Chondaehyop sent Song Yong-song, 22, and Pak Song-hui, 22, to Berlin in late June to attend apreparatory meeting for a pan-national conference of South and North Korean citizens and ethnic Koreans from abroad, the official said.

The two college seniors are suspected of planning to take part in a conference on nuclear issues in Pyongyang in mid-July and the NSP is trying to find out if Chondaehyop planned the illegal trip together with North Korea.

Since he was elected chairman of South Korea's largest student alliance in April, Kim is suspected of organizing demonstrations with dissident groups, particularly following the fatal beating of a freshman in late April.

All four of his predecessors were arrested in connection with their activities. Third chairman Yim Chong-sok was charged with helping co-ed Yim Su-kyong go to Pyongyang without government permission in 1989 in violation of law.

The NSP will round up members of Chondaehyop's policy planning board, widely believed to be the core of the organization, if the board engaged in pro-Pyongyang activities based on North Korea's chuche idea, the official said.

### Prosecution To Arrest Five for Court Disturbance

*SK0607133191 Seoul YONHAP in English 1248 GMT 6 Jul 91*

[Text] Seoul, July 6 (YONHAP)—The Prosecution Saturday decided to arrest five people, including the father of Kang Kyong-tae, for court disturbance on Thursday.

Investigators with "emergency arrest writs" rushed to the homes of the five people and places of their connection but they have already fled away, it was learned.

The five on the prosecution's list for arrest are among seven people found to have masterminded or participated in the courtroom disturbance which suspended the first trial of five riot policemen charged with beating Kang Kyong-tae to death during a demonstration in late April.

Besides Kang's father, Kang Min-cho, 49, Pak Ki-chong, 60, father of Pak Chong-chol was killed in a police torture in 1987, was also among the five to be arrested.

The prosecution booked without physical detention Kang's mother Yi Tok-sun and elder sister Son-mi.

The prosecution had planned to obtain arrest warrants from the court but sent the investigators first with arrest writs signed by the prosecutor in a fear that the procedure of getting court warrants would allow time for the suspects to flee away, prosecution sources said.

### Ministry Regrets Amnesty International Report

*SK1007100291 Seoul YONHAP in English 0925 GMT 10 Jul 91*

[Text] Seoul, July 10 (YONHAP)—The South Korean Justice Ministry expressed its regret Wednesday over the annual human rights report published by Amnesty International.

The report claimed there are prisoners of conscience and torture and harsh treatment in Korea, and the Ministry said this may cause some misunderstanding because the report was based on one-sided views of detainees and dissidents.

The government follows due procedure in treating outlaws to preserve the liberal democratic system, it protested.

Nobody was being detained unjustly for political reasons and the "prisoners of conscience" referred to in the report are all lawbreakers who joined violent demonstrations or tried to instigate an outlawed revolution in South Korea, the Justice Ministry said.

Moreover, the assertion that torture and harsh treatment was used against prisoners who broke the National Security Law was groundless, but if it did happen it would be discovered during proper judicial proceedings, it said.

### Mun Ik-Hwan Stages Hunger Strike in Prison

*SK0607034491 Seoul HANGUK ILBO in Korean 6 Jul 91 p 23*

[By reporter Yu Myong-sang in Andong]

[Text] It has been learned that Reverend Mun Ik-Hwan, imprisoned in Andong Prison, North Kyongsang Province, has been staging a hunger strike for 15 days, demanding integration of opposition groups.

According to Pak Yong-kil (73), Reverend Mun's wife, and Mun Ui-kun (41), his second son, who had an interview with Reverend Mun on 5 July, he has refused receiving foods in his ward since 20 June.

Pastor Mun was moved to Andong Prison from house arrest in Yongdungpo, Seoul, on 14 June.

### Daughter of Former Kim Il-song Rival in Moscow

*SK1007125791 Seoul YONHAP in English 1130 GMT 10 Jul 91*

[Text] Seoul, July 10 (YONHAP)—The only daughter of Pak Hon-yong, North Korea's former deputy prime minister and foreign minister (1949-1953), lives in Moscow, the CHUNGANG ILBO reported in its Wednesday editions.

The vernacular daily said it interviewed Liba Ana Pak on June 15 at her home in Moscow. Liba's testimony drew keen attention among students of the history of the Korean communist party here in that it brought to light a thus-far unknown fact that Pak made a visit to Moscow in 1946, when Kim Il-song, his political rival, was building up his power in Pyongyang as chairman of the North Korean People's Committee.

It was not previously known that Pak had a child, a researcher of the Institute for East Asian Studies said. Pak was shot to death by a North Korean firing squad in 1955 for after being accused of spying for the United States.

The newspaper said Pak's wife, Chu Se-chok, gave birth in 1928 in Moscow to her daughter while Pak was studying at a university to learn communist ideology.

Liba was taken to an orphanage by Pak in 1931, when his wife left home with her lover. Pak then headed for Korea which was under colonial rule by Japan, Liba told the paper.

Pak, born in Yesan in South Chungchong Province in 1900, founded the Choson (Korean) Communist Party in April, 1925, but the party was disbanded by the Japanese police later in the year. Pak reconstructed the party in September 1945 and fled to the northern side of the peninsula in October 1946 as the then U.S. military government in the South decided to arrest him.

Pak was named deputy prime minister and foreign minister by Kim Il-song when the North Korean Government was set up in September 1948. Pak stepped down from his post in 1953 on a charge of spying for the United States.

Liba, who is a professor at a state-run folk dance school, told the newspaper she met Pak for three days in Moscow in July 1946, and visited Pyongyang to meet him in August 1949 and also met with Pak's second wife.

### THE KOREA DAILY Closes Due to Costs

*SK0507073291 Seoul YONHAP in English 0610 GMT 5 Jul 91*

[Text] Seoul, July 5 (YONHAP)—THE KOREA DAILY put out its last edition on Friday after losing a nine-month battle to succeed as South Korea's third English-language daily.

"The reason we are closing down is purely financial," a front-page statement by President-Publisher Min Yong-pin said. "We are confident that the voice of independent thought will not be stilled by our disappearance from the scene."

The newspaper printed the first of its 216 issues on Oct. 10 under the motto "An independent thought."

Its closure leaves THE KOREA HERALD and THE KOREA TIMES as Korea's only English-language papers.

## Burma

### U.S. Charge d'Affaires Sees Off Envoy

*BK0907013291 Rangoon Radio Burma in Burmese 1330 GMT 8 Jul 91*

[Text] U Thaung, who has been appointed as Myanmar [Burma] ambassador to the United States of America, left Myanmar by air for the U.S. this morning.

U Thaung was seen off at Yangon [Rangoon] Airport by senior officials from the Ministry of Foreign Affairs;, Mr. Franklin P. Huddle Jr., charge d'affaires ad interim of the U.S. Embassy in Yangon, and his wife; and other friends.

Similarly, U Thein Han, who has been appointed as Myanmar ambassador to Japan, had left by air for Japan on 1 July.

### 1,258 More Persons Return From Thailand

*BK0907022891 Rangoon Burma Television Network in Burmese 1330 GMT 8 Jul 91*

[Text] It has been reported that following a crackdown by local Thai authorities against Myanmar [Burmese] nationals who entered Thailand illegally, Myanmar nationals who are afraid of being arrested have been returning to the country on their own free will through various points in Kawthaung, Myanmar. Upon receiving this report, a team of officials led by U Maung Aung, director general of the Department of Immigration and Manpower, has been scrutinizing the returnees since 5 July and has been sending them back to their respective townships since 7 July morning.

Careful scrutiny carried out by members of the Township Immigration and Manpower Department, the People's Police Force, departmental authorities, and a special team from the head office of the Deparment of Immigration and Manpower shows that the returnees were not absconding for various reasons, and were not involved with insurgents. There were found to be casual laborers, unemployed, and destitute.

Under a special arrangement made by the Health Department, the returnees were tested for AIDS.

A total of 1,258 returnees were sent back to their respective homes by motorized boats since 7 July. The first batch of returnees comprising 125 persons were sent back to Yangon [Rangoon] from Kawthaung by motorized boat "Yadana Tun," 197 were sent back to Moulmein by motorized boat "Yadana Khaing Tun," 184 were sent back by motorized boat "Yadana," 114 by motorized boat "Negyar," 68 by motorized boat "Than Htay Aung," 233 to Tavoy by motorized boat "Dwe," 137 by motorized boat "Myo Myo Khaing," 92 to Mergui by motorized boat "Lin Nya Aung," and 108 by motorized boat "Ngwe Sa Than."

It has been learned that authorities concerned from the Township Immigration and Manpower Department, the People's Police Force, and the township courts will take action against the returnees under the Burma Immigration Act when they arrived at their respective townships.

## Brunei, Malaysia & Singapore

## Malaysia

### Minister Presents East Asia Group to Japanese

*OW0807125291 Tokyo KYODO in English 1036 GMT 8 Jul 91*

[Text] Kuala Lumpur, July 8 KYODO—Foreign Minister Adullah Ahmad Badawi told a group of Japanese parliamentarians Monday the Asia Pacific Economic Cooperation (APEC) forum can be a meeting point for members of the Malaysian-proposed East Asia Economic Group (EAEG) and the North American Free Trade Agreement (NAFTA).

"The EAEG is not a proposal against APEC or any country and we are not ignoring the role of APEC, but instead APEC can be a forum for countries in the East and in North America," he said.

Abdullah was trying to pitch the merits of forming the EAEG, a proposal opposed by the United States and received unenthusiastically by Japan, the group's proposed leader, to five Japanese members of parliament.

He argued if the U.S., Canada and Mexico can form NAFTA and still be members of APEC, then Japan can be a member of EAEG and still be in APEC.

The U.S. has said EAEG, proposed by Prime Minister Mahathir Mohamad, could turn into a protectionist bloc. Later, U.S. Vice President Dan Quayle was reported as saying the U.S. should be allowed to join the EAEG.

Abdullah also asked why Japan should wait for the U.S. to join the EAEG as NAFTA was established without Japanese participation.

The visiting delegation comprised Diet members who chair the policy-making committees of various political parties, including the ruling Liberal Democratic Party and the largest opposition party, the Social Democratic Party [SDPJ].

The delegation visited Kuala Lumpur on its way to Cambodia on a mission aimed at preparing for Japan's participation in future UN peacekeeping operations in the war-torn country.

### Mahathir Unveils $37.8-Billion Development Plan

*BK1007103191 Kuala Lumpur BERNAMA in English 0848 GMT 10 Jul 91*

[Text] Kuala Lumpur, July 10 (OANA/BERNAMA)—A whopping M [Malaysian] $104 billion (U.S. $37.8 billion)—that is the price tag of development projects to be carried out over the next five years under the Sixth Malaysia Plan (6MP) unveiled Wednesday.

The amount, more than what was spent over the last decade spanning the previous two Malaysia plans, makes the 6MP a big, bold and ambitious blueprint for development as the nation strides into the first phase of its 30-year plan to become a developed country by the year 2020.

With the benefit of hindsight and lessons learnt from weaknesses in the implementation of earlier plans, the government has left virtually no stone unturned in drawing up the 6MP.

Programmes under the 6MP call for a more aggressive "war" against poverty and head-on approach to tackling critical problems like the shortage of skilled manpower as well as special focus on creating a caring society.

The 6MP will also bring with it countless business opportunities for Malaysia's enterprising and growing population, expected to hit the 20 million mark during the plan period 1991-1995. It will make Malaysia the "land of opportunity" as the country comes near to achieving full employment.

The sixth plan brings out a number of firsts. For example, water is being given attention with plans to replace the ageing water pipes and to modernise treatment plants ahead of the proposed federal takeover of water administration from state authorities. It has taken stock of public concern over the country's high rate of logging that could pose a threat to the environment, especially water catchment areas.

"The rate of logging will be reduced during the plan period to conserve our natural resources for future generations," Economic Planning Unit (EPU) deputy director-general, Ali Abdul Hassan, said.

Unlike previous five plans, the 6MP gives formal recognition to the role of women in development, reinforcing the government's commitment to integrate them as equal partners in nation building. Under the plan, existing constraints standing in the way of assimilation of women into the mainstream of the country's social and economic activities will be progressively dismantled. Science and technology, of which research and development (R&D) is the key factor, will be promoted more conscientiously under the plan with emphasis on raising the technology content, efficiency and productivity of Malaysian industries and services.

Backed by a government budget of M$600 million (U.S.$218 million), with more to be contributed by the public sector, R&D will be tailored towards meeting the requirements of the market. The quality of life and general well-being of society and concern over the quality of graduates being churned out by local universities will also be addressed.

About M$13 billion (U.S.$4.7 billion)—a quarter of the total federal government allocation of M$55 billion (U.S.$20 billion)—goes towards social development. Of this amount, M$8.5 billion (U.S.$3 billion) is for education and training, emphasising the need to meet the human resources development. The size of public service, notably the civil service, will be further reduced over the next five years, taking the cue from the success of privatization programme under the Fifth Malaysia Plan.

During the previous plan period, about 54,000 jobs were removed from the government pay-roll, enabling a saving of M$400 million (U.S. $145.5 million). For the country to sustain its present growth momentum, with the economy expected to expand by 7.5 percent annually during the plan period, security is an important factor for foreign investors and citizens alike.

Despite the laying down of arms by the Communist Party of Malaya, the armed forces is being given M$6 billion (U.S.$2.2 billion) for development, a four fold increase. The EPU deputy director-general explained that much of the money would be used to meet Malaysia's commitment under the memorandum of understanding it signed with Britain for the purchase of military hardware. Another reason for the high defence spending against the backdrop of the cooling in tensions in international trouble spots is the armed forces modernisation programme, delayed by the recession during the fifth plan period.

Unveiling the plan in parliament, Prime Minister Mahathir Mohamed said importance was placed on improving productivity through efficient use of resources at lower cost to enhance the country's competitiveness. In that context, the government will identify compatible ethical values and set up training centres where such values could be inculcated, he added.

"In order that Malaysians will become productive and be able to adjust to an industrialised and devloped society from an agricultural peasant society the correct values must be identified and propagated, particularly among the younger generation," he said.

He said an important ingredient for the success of any individual or nation was the ethical values which influenced daily life, particularly at the place of work.

"The assumption that such ethical values are already in place and will be passed from parents to children and through exposure to society is not quite correct," he added, saying that values needed to be actively disseminated to society through formal and informal channels.

### Minister Favors 'Loose' Security Arrangements

*BK0907092391 Kuala Lumpur BERNAMA in English 0809 GMT 9 Jul 91*

[Text] Kuala Lumpur, July 9 (OANA-BERNAMA)—Defence Minister Najib Tun Razak said loose security arrangements will be more favourable for multilateral cooperation among Asia-Pacific nations.

While economic cooperation was crucial for regional stability, such flexible arrangements could provide a foundation for security in a much broader regional framework, he said.

"A loose and flexible security arrangement can be adjusted to any scenarios as well as accommodate changes with the external environment," he said in a key note address to an integrated air defence seminar here Tuesday.

The text of his speech was read out by Deputy Minister Wan Abu Bakar Wan Mohamed. Some 200 military officials from Australia, New Zealand, Singapore, United Kingdom, and Malaysia are attending the two-day seminar.

Najib cited the Five Power Defence Arrangement [FPDA] involving Malaysia, Singapore, the United Kingdom, Australia, and New Zealand as a good example of the loose arrangement.

"That the FPDA has survived more than two decades is a testimony of its suitability as a security framework," he said.

He believed bilateralism, which was well established and well accepted by ASEAN, and multilateral security cooperation would still be the feature of the Asia-Pacific region in the future because of its strategic landscape and security dimension.

The numerous bilateral alliances in the Pacific, for example, between the United States and Japan, South Korea, Thailand and the Philippines, were unlikely to change in any significant manner, he said. Similarly, he said, the Soviet Union and its allies were expected to maintain their alliances even though the world situation was changing, he said.

While acknowledging that some states would use force as a viable option to solve disputes, Najib called for a lot more dialogues and consultations among regional states to contribute to confidence building and conflict reduction.

## Singapore

### Investors To Develop PRC's Pudong Area

*BK0907103391 Singapore THE STRAITS TIMES in English 9 Jul 91 p 40*

[By Wong Leong Mein]

[Text] Chinese-Singapore efforts to jointly develop Pudong, an industrial zone in Shanghai, are gathering momentum.

For a start, the Shanghainese authorities have set aside a 5-square kilometre piece of land in Pudong exclusively for high-value and export-oriented manufacturing investments from Singapore.

They will also send a delegation to Singapore later this month to hold discussions with the Economic Development Board (EDB), which has been appointed to oversee Singapore's interests in the Pudong project.

These new developments were disclosed yesterday by Mr. Wang Zukang, Executive Vice Chairman of Shanghai Foreign Economic Relations and Trade commission. Mr Wang was speaking to reporters in conjunction with tomorrow's opening of Shanghai Expo'91, a six-day trade exhibition at Raffles City.

The update came two months after Deputy Prime Minister Lee Hsien Loong's visit to Shanghai where he first mooted the idea of Singapore jointly developing with China a piece of land in Pudong, to turn it into an industrial zone similar to that in Batam, Indonesia.

Besides participating actively in Pudong's industrialisation, Singapore will also co-operate with Shanghai in two other areas: Promoting tourist traffic between the two regions and exchanging professional and technical personnel.

It was also during the visit that he had disclosed that Singapore' investment interest in Pudong will be overseen by EDB.

Mr Wang said that to date, Singapore companies have invested a total of U.S.$80 million (S$139.20 million) in 30 projects in Shanghai. If plans to develop the Pudong industrial park take off successfully, this sum is likely to increase over the next few years.

The Pudong project—which occupies an area about one fifth the size of Jurong Industrial Estate—is likely to house high value-added activities such as bio-engineering and the manufacture of aircraft and fibre-optic equipment. The design and planning of the industrial park will be modelled after Jurong Industrial Estate, Mr Wang said.

The Pudong park is part of a larger economic zone with a land area of about 300 sq km (almost half the area of Singapore) earmarked by the Shanghainese authorities for industrial and commercial development.

Commenting on the benefits that Singapore investors will enjoy at Pudong, Mr Wang said they will be able to enjoy a tax holiday in the first two years of operations. (The corportate tax rate in Shanghai is 55 per cent.)

Another is less bureaucratic red tape. Shanghai's Foreign Investment Commission acts as a "one-stop" clearing house to help investors settle all the administrative procedures required by the various government agencies in Shanghai.

## Cambodia

### Chea Sim Meets Japanese MPs, Visit Previewed

*BK0907120891 Hong Kong AFP in English 1159 GMT 9 Jul 91*

[Text] Phnom Penh, July 9 (AFP)—Powerful National Assembly Chairman Chea Sim will discuss the Cambodian peace process and related issues with Japanese officials when he visits Tokyo at the weekend, officials said here Tuesday.

A senior Foreign Ministry official said Mr. Chea Sim, who met five Japanese MPs [members of parliament] here Tuesday, was expected in Tokyo for a four-day visit from Saturday.

An influential member of Japan's ruling Liberal Democratic Party (LDP), Michio Watanabe, invited him on a private visit, a Japanese source here said.

On his first visit to Japan, Mr. Chea Sim was expected to meet government officials to discuss recent breakthroughs in the Cambodian peace process and future moves.

The rival Cambodian factions agreed last month in Thailand to honour a permanent ceasefire, end overseas military supplies and base their joint Supreme National Council (SNC) in Phnom Penh.

Deputy Foreign Minister Phi Thach said Mr. Chea Sim would also "very probably" discuss the possibility of Japan opening a diplomatic mission here accredited to the SNC, which will represent Cambodian sovereignty pending UN-supervised general elections.

Japanese humanitarian and development aid for Cambodia could be another topic of conversation, he said.

Separately, five Japanese MPs held talks with top officials here Tuesday on breakthroughs in the Cambodian peace process, obstacles to ending the long civil war and aid from Tokyo.

Led by LDP legislator and former Agriculture, Forestry and Fisheries Minister Mutsuki Kato, they met with Foreign Minister Hor Namhong and Mr. Chea Sim.

Prime Minister Hun Sen was unable to meet the delegation, former Education Minister Gentaro Nakajima of the LDP told journalists.

A Japanese official said the main purpose of the visit was to discuss the situation following the watershed SNC meeting in Phatthaya, Thailand last month.

"The purpose is to find the way to cooperate for the peace process," the official said of the delegation, which includes MPs from the Japan Democratic Socialist Party, the Social Democratic Party of Japan and the Komei Party.

The five parliamentarians arrived here Tuesday from Malaysia for a one-day visit and are to meet officials of the three-party guerrilla resistance in Thailand later this week, he added.

Mr. Chea Sim appears to have emerged from the political shadows to take on a more open role in Phnom Penh's diplomatic policy, observers say.

He visited Paris last month for a medical check-up but also met with top French officials including Parliamentary Speaker Laurent Fabius and Foreign Minister Roland Dumas. He may undergo a medical examination in Tokyo.

Japan has been playing an increasingly important role in the Cambodian peace process. Mr. Hun Sen visited Tokyo earlier this year and met Japanese Foreign Minister Taro Nakayama in Vietnam last month.

## Hor Namhong Briefs Delegation on Post-War Aid

*OW0907161391 Tokyo KYODO in English 1420 GMT 9 Jul 91*

[Text] Phnom Penh, July 9 KYODO—Cambodian Foreign Minister Hor Namhong told a Japanese delegation Tuesday the Phnom Penh Government is not opposed to U.N. peacekeeping operations after peace is restored in the war-torn Southeast Asian nation.

Hor said, however, that he does not see the need for any outside military force at present to maintain peace.

The foreign minister was meeting the policy directors for the Liberal Democratic Party [LDP] and three opposition parties, who are on a suprapartisan mission to consider how Japan might participate in U.N. peacekeeping operations.

"Some issues are still pending but there isn't any problem we can't overcome. All that remains is whether the (three resistance factions) intend to be an obstruction," Hor said.

"We have made concessions and we expect concessions from the other side," he added.

Recent progress in talks among the four contending factions has led to an agreement to seat the Supreme National Council (SNC), a transitional political body, in Phnom Penh and for an SNC delegation, headed by Prince Norodom Sihanouk, to attend the U.N. General Assembly in September.

Hor Namhong indicated Tuesday that his government would like to stage an SNC meeting in Phnom Penh in October or November.

Mutsuki Kato, chairman of the LDP Policy Affairs Research Council, and a member of the visiting delegation, remarked that Japan must cooperate with efforts to bring about a Cambodian peace and expressed the hope that the SNC would be a success.

Hor and Chea Sim, chairman of the Cambodian National Assembly, said Japanese assistance would be needed to rebuild the country's energy facilities, infrastructure, irrigation systems, and agriculture, following the 12-year civil war.

Chea Sim also said he plans to visit Japan in the near future to ask for Japan's assistance.

## Hun Sen on SNC Agreement, Beijing Trip

*BK1007093591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 10 Jul 91*

["Message" from Hun Sen, chairman of the Council of Ministers, date not given—recorded]

[Text] My respects to all venerable monks, dear compatriots:

For several weeks after the successful conclusion of the Supreme National Council [SNC] meeting in Phatthaya, the implementation of the agreement reached in Phatthaya has been proceeding with excellent results and is creating a good stepping stone for advancing toward the realization of all remaining issues through future SNC meetings. Not long from now, that is, on 16 and 17 July 1991 an informal consultative meeting among the SNC members will be held in Beijing. At that time, consultations between the SNC members and countries that are permanent members of the UN Security Council [UNSC] may also take place.

Pending the meeting that is to be held in Beijing, I would like to take this opportunity to inform all venerable monks and compatriots of certain points that require clarification.

The Phatthaya SNC meeting achieved excellent results and all parties are implementing the agreement despite some breaches. Nevertheless, a number of points need additional interpretation and clarification because some of the points have been interpreted differently from the spirit of the agreement and the results achieved in Phatthaya.

The first point about which I would like to inform you is concerning the SNC. The SNC was set up as the symbol of Cambodia's national independence and sovereignty. The SNC is not a government and must not be established down to the provincial, district, commune, and village levels. So far, a certain party or, to put it bluntly, the Party of Democratic Kampuchea has been erroneously interpreting the agreement and is behaving in a way that runs counter to the agreement, creating confusion on the implementation of the agreement by alleging that the SNC is a government and that the Phnom Penh government should be dissolved.

I would like to inform all of you that even in Samdech Norodom Sihanouk's plan, it is clearly emphasized that before the holding of the elections to choose a new government, the two existing governments will remain unchanged and will continue to control and manage state affairs. The other side is spreading propaganda in an attempt, however, to set up national councils at provincial, district, commune, and village levels throughout the country. This act runs contrary to all that has been agreed upon, for the SNC is neither a government, nor a civil administration, nor a hierarchic authority. For this reason, I would like to appeal to the other parties, particularly the Party of Democratic Kampuchea, to abide by the agreement reached, for the observance of the agreement will create an atmosphere of mutual trust needed to advance toward realizing the final solution, toward achieving a definitive agreement. Otherwise, the atmosphere will be polluted, mutual distrust created, and progress obstructed.

At the same time, I would like to clarify a number of other issues also concerning the SNC.

According to the agreement, the SNC was created not to become a government, but to be an organization representing the national independence, sovereignty, and unity of Cambodia with its headquarters in Phnom Penh and with its own flag and anthem.

The SNC headquarters in Phnom Penh is not the headquarters of the government. According to the agreement reached in Phatthaya, our government will provide the Vat Phnum Hotel as the office of the SNC. Therefore, the SNC will have its headquarters there. Any other places other than that will remain the territory controlled by the Government of the State of Cambodia.

According to the agreement, SNC members may rent houses from the population as their residences if they do not wish to live in the hotel. These members may have their own bodyguards to protect them inside their residences. Their security outside the residences falls under the charge of the host party, namely, the party of the State of Cambodia which is currently controlling the capital city of Phnom Penh. Therefore, on this point there should be no question as to whether SNC members may bring armies into Phnom Penh. This is not feasible. The armies of so many parties will never be allowed to enter Phnom Penh, the capital city that is under the control of the State of Cambodia. What we have already agreed upon is that security inside the residences is to be ensured by the bodyguards of the SNC members while external security, or to be exact, the security outside the fences of the residences is to be under the charge of the host party, namely, the State of Cambodia.

Concerning the anthem and flag, the SNC will have the exclusive use of its own anthem and flag. As for the national anthems, national flags, and national emblems of the two governments, they will remain intact until a new flag, new anthem, and new emblem are created and promulgated by the National Assembly following elections. Consequently, our national flag, national anthem, and national emblem are to be preserved without any changes and are to be used in all regions that are under the control of the State of Cambodia.

In addition to this, some other bizarre issues, such as the questions of ownership and the riel currency, have also been raised. I would like to inform all venerable monks and compatriots that land, house, and other property ownership will be maintained without any changes. All Cambodians have already been granted ownership of land, houses, and other property. Therefore, this will surely not be changed. On this point, some of our compatriots seem to be worried that their houses could be expropriated by those returning from abroad and that they would be left homeless. I would like to assure all of you that there will be no changes whatsoever concerning this ownership issue, this is because [words indistinct] we liberated the country and it has been determined by a new constitution.

Concerning the currency, there have also been misunderstandings and different interpretations. Our currency has a history. Before the war, a set of paper money was in circulation. It was printed by the Kingdom of Cambodia when Samdech Norodom Sihanouk was still in power. Later on, there was a change as the Khmer Republic of Lon Nol put a new set into circulation. After that, all paper money was destroyed between 1975 and 1979. After 1979, at first our state had no ability at all to print money. Thus, in response to the people's demands to create markets and engage in trade relations and the exchanges of goods, our people at first used goods to barter for other goods. In order to create conditions for the expansion of production and facilitate relations between the currency and goods, our state began printing paper money and putting it into circulation throughout the country. This paper money is used by everyone, including the rebels in the jungles. For this reason, I would like to stress that our riel bills continue to be valid so long as there are no new bills to replace them. It will be entirely unacceptable to our people if the current paper money which constitutes the repository of their property becomes worthless as it once was in 1975.

Although the government of Lon Nol deposed the government of Samdech Sihanouk and printed its own paper money, it still preserved the value of Samdech Sihanouk's paper money through the distribution of new bills for the people to use. Therefore, our riel bills continue to be valid as long as no new bills are printed to replace them. And even when the new bills are printed to replace the old ones, they must also take over the value of the old paper money.

This is what I wish to inform all compatriots and all venerable monks in order to prevent confusion and misunderstanding. Everything is to be maintained without changes, be it the government, the administrative structures, the national flag, national anthem, national emblem, ownership, or monetary validity.

Other issues are those concerning the cease-fire and the halt in receiving foreign military aid. The cease-fire and the halt in receiving foreign military aid have gone into effect since 24 June 1991, the day when the SNC meeting began. Since then, we have noted that these decisions have generally been observed. That shows goodwill for all to advance toward an agreement on the remaining issues. Of course, there have been some violations to an extent that I would describe as not being excessively large-scale offensives, but fairly serious breaches compared to the climate of the cease-fire. The violations mostly took place in Battambang and Siem Reap Provinces, but especially along Route 10 between Treng and Pailin in Battambang Province.

In such a situation, these breaches are not conducive to the promotion of an atmosphere of mutual trust needed for the advance toward achieving a definitive agreement. For this reason, I would like to avail myself of this opportunity to appeal to all parties to continue to strictly observe the cease-fire. On this occasion, I would also like to appeal to the men and officers of the other parties to effectively respect and abide by this cease-fire order, for it can only save the blood, flesh, and lives of the Cambodian people and only benefit and speed up the creation of a definitive agreement concerning the solution to the Cambodian problem.

In the cease-fire and the halt to receiving foreign military aid, there are some remaining issues I would like to inform all venerable monks and compatriots of in order to prevent further confusion:

At the Phatthaya meeting, we raised the proposal on the establishment of the SNC Military Coordination Mission to take charge of coordinating the settlement of possible disputes among Cambodian factions. We also called on aid-donor countries to stop sending military aid to Cambodian factions and on countries that used to allow arms to transit their territory to stop doing so. At the same time, we agreed to the UN supervision of the cease-fire and a halt to foreign military aid.

At this point, I would like to inform you that concerning these three points His Excellency [H.E.] Khieu Samphan proposed that they be raised for further discussions at future SNC meetings. Moreover, H.E. Khieu Samphan proposed that 700 or 500 UN military personnel be sent to Cambodia. However, according to UN procedure as interpreted by UN Deputy Secretary General Rafeeuddin Ahmed, if the agreement on the comprehensive solution is not yet signed, the United Nations is in no position to send any force of 700 or 500 men at all. The United Nations can help make it possible, however, for UN officials to come to Cambodia at a level as high as UN procedure will permit. These officials will be attached to the military commands of all Cambodian factions and will play the role of mediators to help the Cambodian factions settle any disputes among them.

We accepted the proposal of the special emissary of the UN secretarty general. However, H.E. Khieu Samphan said that if this number of 700 or 500 could not be made possible the matter should be shelved for future discussions. Thus, the UN supervision through UN assistance could not be achieved, the SNC military coordination mission could not be achieved, and the appeal to the countries that give military aid and countries that allow arms to transit their territory could not be achieved.

However, without [word indistinct] on the question of halting aid from aid-donor countries and preventing territory from being used for the transit of arms, Samdech Norodom Sihanouk in his personal capacity as former monarch of Cambodia made an important statement appealing to countries that give military aid to stop giving military aid, and to countries that allow passage of arms to stop allowing arms to transit their territory. Samdech Norodom Sihanouk's statement is very important in consolidating the cease-fire through an appeal to foreign countries to stop giving military aid and to stop the flow of arms through their countries. The State of Cambodia represented by six SNC members supported this appeal and, to our knowledge, other parties, especially the party of the samdech itself, also supported this personal appeal.

We would also like to appeal to foreign military aid-donor countries and those countries that allow arms to transit their territory to abide by and respect the appeal made by Samdech Norodom Sihanouk.

Now, I would like to inform all venerable monks and all compatriots that according to the agreement made in Phatthaya, Thailand, following the SNC meeting, we will hold an informal consultative meeting of the SNC members in Beijing on 16 and 17 July. At the same time, we know that the five UNSC permament members will meet in Beijing on 18 and 19 July. Therefore, on 15 July, I will lead a delegation to Beijing where an informal discussion of the SNC will be held and later, our delegation may have separate consulations with the five UNSC permanent members. Afterward, I will travel to Pyongyang, the Democratic People's Republic of Korea, in my capacity as a guest of Samdech Norodom Sihanouk. I will take the same plane from Beijing to Pyongyang as Samdech Norodom Sihanouk. Moreover, I have this to tell you: Samdech Norodom Sihanouk informed me a few days ago that on my trip home from Pyongyang, North Korea, the PRC has invited me to visit Beijing for a second time from 22 to 24 July. I have accepted the invitation and would like to thank the Chinese Government for inviting me to visit that country, and I will visit China during the above date and, there, I will make my utmost efforts—during both visits—to find a common stance on the solution to the Cambodian problem.

My best wishes to all venerable monks and compatriots. I promise you all I will do my best to bring an early end to the misery of the people and to bring about peace and national reconcilitation as soon as possible in response to the aspirations of the Cambodian people.

### Heng Samrin Decorates Polish Ambassador

*BK1007051691 Phnom Penh SPK in English 0421 GMT 10 Jul 91*

[Text] Phnom Penh SPK July 10—Heng Samrin, secretary general of the People's Revolutionary Party of Kampuchea Central Committee and president of the State Council, decorated in Phnom Penh on Tuesday a Labour Order on Polish ambassador to Cambodia, Mr. Josef Kobiaka, for his outstanding contribution to the consolidation and development of the solidarity, friendship and multiform cooperation between the two countries.

Speaking at the decoration ceremony, President Heng Samrin praised the Polish diplomat as an important figure and dear friend of the Cambodian people who was devoted to the cause of peace and prosperity of the peoples of Cambodia and Poland.

He expressed profound gratitude to the Polish Government and people.

The Cambodian leader hailed the stability and progress in the Polish society at present and renewed his support for the economic and social reform in the Republic of Poland headed by Lech Walesa.

In reply, Ambassador Josef Kobiaka expressed his thanks to the party and government of the State of Cambodia for creating favourable conditions for the fulfilment of his mission over the past four years and voiced his support for the agreement reached at the recent SNC [Supreme National Council] meeting in Phatthaya, Thailand, on the unlimited cease-fire and the cessation of military aid from outside.

### SPK Quotes AFP on UNICEF Seminar

*BK0907133991 Phnom Penh SPK in English 1108 GMT 9 Jun 91*

[Text] Phnom Penh SPK July 9—The United Nations Children's Fund (UNICEF) opened a seminar here Monday on ways to help the children of Cambodia, a country with one of the world's highest child-mortality rates, AFP reports.

Senior Phnom Penh officials and representatives of local groups such as the Women's Association are attending the two-day forum alongside UN officials and members of overseas non-governmental organisations.

Richard Jolly, deputy executive director of UNICEF, said the "immediate objective is to discuss the needs of children in Cambodia today."

He added that participants would also address "the possibility of making major improvements in the child situation in the 1990s and set in motion a process of planning and action that will move Cambodia towards the goals agreed at the world summit for children."

The largest gathering of world leaders in history adopted a plan of action for the survival, protection and development of children in the 1990s at the New York summit in September.

After morning speeches, participants broke down into small groups for discussions on specific aspects—women's health and education, nutrition, child health, water and sanitation, education and children in especially difficult circumstances.

During five years of civil war from 1970, millions of people died under the Khmer Rouge rule from 1975 until early 1979, when Vietnam helped Cambodian revolutionaries to oust the clique.

Reconstruction efforts over the past 12 years have been hampered by renewed civil war, in which children are all too often the victims of mines and disease such as diarrhoea and respiratory infection.

UNICEF figures listed Cambodia's child mortality rate in 1989 as the 17th worst in the world with about one in five children dying before the age of five.

Only war-torn Afghanistan had a worse record in Asia. Mr. Jolly said that at a time when peace loomed on the horizon for Cambodia, it was important that officials understood in advance the problems that could hamper human development.

UNICEF, here since 1979, has a major and expanding programme in Cambodia.

### Indochinese Health Ministers Hold Conference

*BK0907090391 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 0430 GMT 9 Jul 91*

[Text]A conference of the health ministries of Cambodia, Vietnam, and Laos was held under the chairmanship of Comrade Kong Sam-ol, member of the party Central Committee and vice chairman of the State of Cambodia's Council of Ministers, in Phnom Penh on the morning of 8 July.

Present at the meeting on the Cambodian side were Comrade Dr. Yim Chhaili, member of the party Central Committee and minister of health; comrade chemist Seng Lumneou, deputy health minister; and all the directors and their deputies from the services under the Health Ministry's patronage. On the Vietnamese side were Comrade Dr. Pham Song, member of the party Central Committee and health minister, and seven other members of the Vietnamese delegation. On the Lao side were Comrade Khambou Sounisai, member of the party Central Committee and health minister; Comrade Dr. (Chatchai Ratsami), deputy health minister; and eight other members of the Lao delegation.

The objective of the conference is to discuss the role of district-level hospitals in providing primary health care and to review the implementation of the resolutions adopted by the fourth conference of the three countries' health ministries held in Laos in 1988 on health education, mother and child care, and prevention of contagious diseases.

This is the fifth conference held by the three countries' health ministries for the promotion of health care in each country.

## Deputy Defense Minister on Military Situation

*BK1007042091 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 9 Jul 91*

[Text] On the morning of 8 July at the 13 October guest house, Lieutenant General Ke Kimyan, member of the party Central Committee and first deputy defense minister, granted an interview to local and foreign reporters, including those from Britain, Japan, and [words indistinct].

Answering the reporters' questions, the comrade lieutenant general pointed out the military situation in the 1990-91 dry season and the success scored by the Cambodian People's Army [CPA] in counterattacking the genocidal alliance and the fact that our CPA was the master and in firm control at every point along the border and inside the country. Comrade Lt. Gen. Ke Kimyan clearly stressed the position of the State of Cambodia's government in the search for a political solution to the Cambodian problem to quickly bring peace and happiness to the Cambodian people. However, the genocidal alliance still has not abandoned its dirty policy of toppling the State of Cambodia.

In particular, when the Paris conference cochairmen and the UN secretary general appealed for a voluntary cease-fire and all Cambodian parties at the Cambodian Supreme National Council [SNC] meeting agreed to implement an unlimited cease-fire and to stop accepting military aid, the State of Cambodia's government has correctly observed these agreements [words indistinct]. However, the genocidal alliance continues to grossly violate these agreements.

Comrade Lt. Gen. Ke Kimyan also heavily stressed that the State of Cambodia government demand the other Cambodian side to strictly abide by the agreement reached by the SNC in Phatthaya. The comrade also told reporters about the Cambodian people's persistent request to governments and appeal to [words indistinct] all countries to take various concrete measures to prevent the return of the genocidal regime, which is hated and most detested by the people.

## 330 Rebels Return to Kompong Cham Over 3 Months

*BK1007050491 Phnom Penh SPK in English 0415 GMT 10 Jul 91*

[Text] Phnom Penh SPK July 10—Three hundred and thirty enemy soldiers broke from their ranks and reported themselves to the authorities in Kompong Cham Province, 124 km northeast of Phnom Penh, in the first three months of this year bringing along 174 assorted guns and a good quantity of other war means.

The ralliers included 288 ex-Polpotists, 24 ex-Moulinakans [Sihanoukists], and 18 ex-Sereikans [Sonsannians].

During the same period last year, the province also received 289 returnees.

## Desire for Peace Linked With Strong UN Control

*BK1007032691 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 9 Jul 91*

[Station commentary: "The Cambodian people hope that the Supreme National Council, under Samdech Norodom Sihanouk's leadership, would become a genuine national reconciliation and unite everyone to push for the implementation of the UN Security Council's documents which will quickly end the more than 12 years long Vietnamese war of aggression in Cambodia"]

[Text] Following the meeting in Phatthaya in the Kingdom of Thailand from 24 to 26 June, the Supreme National Council [SNC] can now carry out its function. All the SNC members have given Samdech Norodom Sihanouk the role of SNC chairman and the right to convene and chair every SNC meeting.

The Cambodian people throughout the nation are overjoyed with the fine results of the Phatthaya meeting. Everyone sincerely hopes that the SNC, under Samdech Norodom Sihanouk's leadership, would establish genuine national reconciliation, think of the Cambodian people's interests, and unite to push for the implementation of the 28 August 1990 framework document and the draft agreement of the UN Security Council [UNSC] five permanent members to quickly end Vietnam's war of aggression in Cambodia, politically and comprehensively.

At the meeting in Phatthaya, the 12 SNC members agreed on a cease-fire and to stop accepting outside military aid. The Cambodian people are very happy with this; however, this cease-fire should be genuinely controlled by the United Nations. Without genuine UN control, the cease-fire and the non-acceptance of foreign military aid cannot be guaranteed because the Hanoi Vietnamese aggressors—who have the ambition of annexing Cambodia and have maintained over 50,000 troops in Cambodia—have never honored any cease-fire or stopped the dispatch of troops, weapons, and ammunition to Cambodia. Vietnam has always tried to find all kinds of maneuvers to destroy an agreement to solve the Cambodian problem.

For example, the Hanoi Vietnamese ordered their aggressor troops to disguise themselves as soldiers of this or that side, and attack or fire artillery at other parties to create conflict and sow mistrust in order to destroy the agreement reached by the SNC and hinder a political and comprehensive solution to the Cambodian problem so Vietnam can continue to commit aggression against, and occupy, Cambodia.

Therefore, at the forthcoming SNC meeting, the Cambodian people appeal to all SNC members to unanimously request that the UN Secretary General and the UNSC dispatch UN control forces with a sufficient number of men and sufficient means to carry out the control of the cease-fire and the end of aid supply which have been agreed upon. This is a step toward a comprehensive political solution to the Cambodian problem.

We sincerely believe that Cambodian parties which are sincere, genuinely want a cease-fire and a solution to the Cambodian problem, and want Cambodia to regain peace, security, and stability, and have no reason to oppose a strong UN control force. A party's acceptance or refusal of such a control force is a major factor for the Cambodian people, as well as the world, to use in judging the sincerity and goodwill of that party, to ascertain whether that party really wants a cease-fire, an end to military aid, and whether it genuinely wants to end the war.

The Cambodian people, like the international community, hope that people will be sincere and sincerely show it on this issue.

### VONADK: 600 Phnom Penh Soldiers Flee Home

*BK1007015691 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 9 Jul 91*

[Text] On 3 and 4 July, 600 Cambodian soldiers of the city's division, the 92d, 93d, and 196th Divisions, and Cambodian soldiers recently drafted by the Vietnamese aggressors and sent to fight the national resistance forces on the Route 10-Pailin battlefield, mutinied against the Vietnamese aggressors and fled home with their weapons.

When traveling along Route 5, on the stretch between Battambang and Pursat, these Cambodian soldiers fired on Vietnamese aggressor troops, who attempted to send our compatriots back to Route 10, to continue their journey. The people provided food and money to these Cambodian soldiers and showed them the way home.

## Indonesia

### Commentary Calls Suharto's Germany Visit Timely

*BK0407105991 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 4 Jul 91*

[Station commentary]

[Text] President Suharto's current visit to Germany, basically no different from his earlier visits to other friendly countries, is aimed at strengthening existing bilateral friendship. If there is any difference as to the nature of the visit, it may be seen from the context of the regional and international situation, namely the integration of the Western European economy next year as well as political and economic changes in Eastern Europe.

Viewed from this context, the president's visit to Germany, which has become a unified state since 3 October 1990, is indeed a timely visit, especially when we consider the fact that Germany is an industrialized countries in today's world, which has risen from the ruins of World War II in a relatively short period of time.

Indeed, after the reunification, Germany is now facing several problems, especially that of developing its eastern territory. However, thanks to the experience of the West German people, who are equipped with sophisticated science and technology, such problems will be solved quickly and correctly.

On the issue of economic integration, (Bella Balazah), author of a book published in 1961 entitled: "The Theory of Economic Integration", wrote that there are five stages of such integration. The first stage is the existence of free trade with simple level of integration. The second is the existence of unified tariff and customs system. The third is a common market characterized by free flow of products. The fourth is a unified economy aimed at standardizing economic policies, including those of airfare and similar commodities. The fifth and last stage is total economic integration, where political policies and institutions are standardized.

Based on the above economic theory, the economic integration desired by the European Community in 1992, including Germany, will fall into the fourth stage mentioned earlier. However, despite the realization of economic integration, they should not end their social responsibility toward other countries because their existence will not be smooth when the rest of the world is always restless and in turmoil.

As such, it is normal for President Suharto to ask Germany not to reduce its attention to Indonesia's development programs.

### Parliament Holds Dialogue With Dissident Group

*BK0907094791 Jakarta THE JAKARTA POST in English 5 Jul 91 p 1*

[Text] Jakarta (JP)—The DPR (House of Representatives) and a dissident group seem to share the same view on problems facing the nation but differ on their approach to them.

The group, led by former health minister Dr. Azis Saleh, advocated a "quick remedy" approach while the House members preferred a more conventional approach, as reflected in a hearing with Commission II, whose area of responsibility includes home affairs, and Commission III, in charge of legal affairs, of the DPR here yesterday.

In a breach of usual protocol, Deputy Speaker of the House of Representative/People's Consultative Assembly (DPR/MPR) Maj. Gen. (ret.) [retired] Saiful Sulun himself fetched the 18 members of the dissident group from the waiting room at 10 a.m. sharp, and escorted them to the meeting hall.

As the dissidents entered the hall and sat down, the House members gazed at them with awe while journalists' flashes sparkled for several minutes.

The event was attended by hundreds of reporters and observers who packed both the meeting hall and the balcony. Many others stood near the door and sat on the floor. Outside the hall and in the yard of the DPR building, police and security officers stood guard.

Among the dissidents attending the hearing were former ASEAN secretary general Lt. Gen. (ret.) Hartono Rekso Dharsono, former national police chief Gen. (ret.) Hugeng Imam Santoso, former governor of Jakarta Marine Lt. Gen. (ret.) Ali Sadikin, former minister of mines Slamet Bratanata and Surasti Karma Trimurti, a 79-year-old woman freedom fighter.

The hearing was opened by Sulun and chaired by Maj. Gen. R.K. Sembiring Meliala, chairman of Commission II. Interestingly, both of them used to be Dharsono's subordinates.

In response to the group's presentation, a DPR member from the Armed Forces (ABRI) faction, Mrs. Rukmini, said that Indonesia had seen successful development on a macro scale. "The problem is how to follow it with similar success in a micro scale," she said.

She said that like the group, the DPR was also concerned about the case and had been analysing whether the political and economic systems were in accordance with the Constitution. Commission II had also discussed why reforms proposed by the House in the past often ended in failure, she said.

Rukmini was apparently referring to her faction's bid for more political openness, which was aired a couple of years ago.

Another DPR member supported the statement, saying that the political and economic systems needed improvement, but not in a radical way.

The dissident group also complained about what it called an unlawful act against them as to how the government had been treating them since the group came into existence in 1980. The group comprised about 50 people who signed a letter to the DPR, asking for a clarification of two presidential speeches they considered irrelevant.

Rukmini also said that she agreed with the group's stance which viewed the "1980 event" as a closed case.

The group raised questions whether or not the DPR shares the group's view that all accusations made against the group were baseless and that on the other hand the group felt it had been slandered; whether or not the House agreed that restrictions accorded them without the due process of law was a serious legal violation.

Among the restrictions were that the group members were not allowed to obtain loans from banks, to attend meetings attended by the president and the vice president, and to travel abroad. The government had also restricted the press from exposing them.

"In connection with the two aforementioned questions, do you share our view that we have adequate legal basis to ask for the government's accountability?" Chris Siner Key Timu, a junior member of the group, asked.

The hearing yesterday was the second major event for the group after its meeting with Coordinating Minister for Political Affairs and Security Sudomo in May. The meeting ended with Sudomo asking the group to make an apology to the president. Ali Sadikin, however, said yesterday that the group would never make an apology as it was confident that what the group was doing was a 'a form of religious duty' (ibadah).

## Minister To Investigate Labor Strikes

*BK0907094991 Jakarta THE JAKARTA POST in English 1 Jul 91 p 1*

[Text] Jakarta (JP)—Coordinating Minister for Political and Security Affairs Sudomo said over the weekend he would investigate the series of workers' strikes over the last few weeks because they could undermine political stability and stifle economic growth.

Sudomo told newsmen after a meeting with about 300 businessmen that recent labor strikes at companies around Jakarta could have been masterminded.

"How could 2,000 workers at a company go on strike at the same time if they were not coordinated," he said when referring to a recent work stoppage at P.T. [Company Limited] Great River Garment Industries near here.

Sudomo and Industry Minister Hartarto summoned about 300 businessmen from Jakarta and its surrounding areas to a meeting here Saturday to discuss several regulations that have to be fulfilled by companies.

The meeting was part of a nationwide campaign by the government to enforce the regulation that require companies to pay their employees the minimum wage and to preserve the environment.

Earlier on Wednesday, Hartarto summoned 350 businessmen from West Java to a meeting here to discuss the same issue.

"I am greatly concerned over the recent labor strikes," Sudomo, a former manpower minister, said after the meeting on Saturday.

He reiterated that peaceful industrial relations are crucial for promoting the exports of non-oil products.

A series of worker's strikes took place at companies in Jakarta's satellite towns over the last few weeks due mostly to alleged failures of the employers to pay their workers the minimum wage and to honor other worker rights.

He warned workers against resorting to strikes because striking could undermine the political stability and hinder economic growth.

Even though the right to strike is recognized as a political weapon of workers, such an action is not in line with the concept of the Pancasila-based concept of industrial relations, according to Sudomo.

"Collective labor agreement requires the resolution of any differences of opinions between employees and employers through a concensus," he pointed out.

He warned both employers and employees that violations of collective labor agreements are liable to penalties.

Sudomo considered the recent strike at P.T. Great River Garment a violation of the collective labor agreement already signed by the representatives of the All Indonesian Workers Union (SPSI) and the company's management.

He said workers at a company which already had a company-level SPSI union could not claim as they wished that they were not members of SPSI.

Sudomo estimated that worker's strikes could increase in the future and could become a destabilizing factor, especially in Jakarta.

"But such restlessness could be avoided if all sides concerned fully realize and honor Pancasila-based industrial relations," he said.

The government, however, has often admitted that most companies have not concluded collective labor agreements nor set up company-level SPSI unions.

The government has set the minimum wage at a range of Rp [rupiahs] 850 (U.S.$0.45) to Rp 2,700 (U.S$1.3) a day depending on the location, but official data indicate that even this meager pay has not been given by many firms.

## Laos

### Leaders Greet Mongolia on 70th National Day

*BK1007102691 Vientiane KPL in English 0911 GMT 10 Jul 91*

[Text] Vientiane, July 10 (KPL)—The state leaders of the Lao People's Democratic Republc have extended a joint message of greetings to the state leaders of the People's Republic of Mongolia in connection with the 70th National Day of the country.

Welcoming great achievements the Mongolian people have scored over the past 70 yeare in their national development, the message said the Lao people had closely followed the comprehensive renovation processes in Mongolia.

The Lao leaders were satisfied with the increasingly developed Lao-Mongolian traditional relationship and cooperation in the common interest of the two countries' people, of peace, and international cooperation.

President of the People's Supreme Assembly Nouhak Phoumsavan and Foreign Minister Phoun Sipaseut, on the occasion, also sent their congratulatory messages of the similar nature to their respective Mongolian counterparts.

In addition, to welcome the same event of Mongolia, a mass meeting was held yesterday at Vientiane Theatre with the participation of a large audience, several Lao party and state leaders among others.

At the meeting, Oudom Khatthi-gna, Politburo member of the Lao People's Revolutionary Party Central Committee, party secretary of Vientiane Prefecture, and Mongolian Ambassador to Laos Mr. Youmbouguine Sandag [name as received] addressed the audience, both highlighting the achievements of the renovation in Mongolia over the years and praising an effective development in Lao-Mongolian relations of friendship and cooperation.

### More on Mongolian National Day

*BK0907134391 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Jun 91*

[Text] The Laos-Mongolia Friendship Association, in collaboration with the Mongolian Embassy in Laos, organized a rally to celebrate the 70th National Day of the Mongolian People's Republic at Vientiane Theater this morning. Attending the rally were party and state leaders and over 1,000 Vientiane residents.

On behalf of the Lao party, government, and people, Oudom Khatthi-nga, member of the party Central Committee Political Bureau and chairman of party Central Committee organizational board, conveyed greetings and best wishes to the Mongolian party, government, and people and said that the Lao people regarded the victories and successes in various fields accomplished by the Mongolian people as their own. He also expressed deep gratitude to the Mongolian people for their assistance rendered to the Lao people for national liberation and reconstruction, noting that friendly bilateral relations and cooperation will be further strengthened for the interest and well-being of the peoples of the two countries.

### Phoumi Vongvichit Receives Outgoing Envoy

*BK0907135391 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 9 Jul 91*

[Text] At the presidential palace this afternoon, Phoumi Vongvichit, acting president of the Lao People's Democratic Republic, received Urjinlhundeb, outgoing Mongolian ambassador extraordinary and plenipotentiary to Laos. Urjinlhundeb presented his credentials to the acting president on 27 September 1988.

### Phoumi Vongvichit Signs Children Welfare Plan

*BK0507103991 Vientiane KPL in English 0922 GMT 5 Jul 91*

[Text] Vientiane, July 5 (KPL)—At a solemn ceremony held at the Presidential Palace here yesterday afternoon, acting president of the Lao People's Democratic Republic [LPDR] Phoumi Vongvichit signed the document endorsing the summit declaration for children held in September 1990.

The declaration stipulates plans and actions at international and national levels for children survival, protection, and development according to which the national governments, international organisations, bilateral assistance bodies, private and otherwise have the moral obligation to take part in the work.

Present at the ceremony to endorse the document were ministers, representatives of the mass organisations, the visiting delegation of UNICEF led by deputy executive director of UNICEF, Dr. Richard Jolley, and representatives of the international organisations such as the UNDP [United Nations Development Programme], WHO, FAO [Food and Agriculture Organization], IMF, the charge d'affaires of Swedish Embassy here.

Following the signing ceremony, Acting President Phoumi Vongvichit talked to his distinguished guests. On behalf of the Lao Government and children, Mr. Phoumi Vongvichit expressed deep appreciation for the support and assistance so far received and appealed for further cooperation for the benefits of Lao children.

The Lao acting president expressed his thanks to the UNICEF executive director, Mr. James Grant, for his personal humanitarian efforts for the interest of the children of the world. He congratulated Dr. Richard Jolley for the successful working visit to Laos, and thanked his personal interest in the tasks of children's development. Mr. Phoumi Vongvichit made a note of thanks to Ms. Anne Sutherland, UNICEF representative to Laos, for her sympathetic and active contribution in the development of women and children in the country.

The talk between the Lao acting president and Dr. Jolley accompanied by Ms. Anne Sutherland was filled with a productive atmosphere of understanding and friendship.

### Nouhak Phoumsavan Receives New PRC Ambassador

*BK0807135991 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 8 Jul 91*

[Text] Nouhak Phoumsavan, chairman of the Supreme People's Assembly [SPA], received a courtesy call from Huang Guocai, new PRC ambassador extraordinary and plenipotentiary to Laos, in Vientiane this morning. The SPA chairman welcomed Huang Guocai to his ambassadorial post in Laos and praised the expansion in many areas of relations and cooperation between the governments and peoples of the two countries during the past several years. In particular, trade at both the central level and along the common border has remarkably increased.

The SPA chairman wished the PRC ambassador success in his diplomatic mission here so as to contribute to the strengthening of relations and cooperation between the parties, governments, and peoples of the two countries.

### Writers' Delegation Departs for SRV Visit

*BK0507102691 Vientiane KPL in English 0917 GMT 5 Jul 91*

[Text] Vientiane, July 5 (KPL)—In response to the invitation of the Vietnamese Writers' Association, a delegation of the Lao Writers' Association set off for Vietnam on July 4. The delegation was headed by its president, Mr. Souvanthon Bouphanouvong. Also accompanying the delegation on a ten-day visit to Vietnam was Mr. Chanthi Deuansavan, member of its executive committee.

## Philippines

### Government Revising U.S. Bases Conversion Plans

*HK1007071591 Manila BUSINESS WORLD in English 10 Jul 91 p 1*

[By Cris V. Paraso]

[Text] It appears the Government may be resigned to revising its conversion plans for the American military bases—at least for Clark Air Base—due to extensive damage on the facilities and environment caused by Mt. Pinatubo's eruptions.

This was the general sentiment expressed by top government officials led by Jose V. Abueva, chairman of the executive-legislative bases council (LEBC) [as published], at yesterday's hearing of the Senate committee on foreign relations concerning the effects of the Volcano eruptions on the bases conversion plans.

The officials were, however, still hopeful about the prospects of developing Subic Naval Base into an international ship repair facility, as planned, since the base suffered less damage in comparison.

#### No Longer Feasible

"Based on consultations with our consultants, the environmental conditions in Clark Air Base, based on the original idea that it will be converted to a civil aviation complex, is no longer feasible," said Mr. Abueva.

He added that ash-sensitive industries could no longer be considered in the etablishment of an industrial complex in Clark such as those involed in emiconductor and electronics sectors.

Mr. Abueva said agri-based industries may neither be feasible since agricultural lands in Clark have been blanketed by thick volcanic ash.

Defense Undersecretary Feliciano Gacis, member of the bases negotiating panel, said there is a possibility that a large portion of Clark will be inundated due to the mudflow coming from nearby Sacobia river.

Citing statements from the Philippine Institute of Volcanology and Seismology (Phivolcs) as crucial to the timetable of Pinatubo's eruptions, Mr. Gacis said it is hard to quantify the extent of damage and that it is best to wait for the official US assessment on final compensation figures and simply interpolate based on these amounts.

Delfin Lazaro, chairman of the special operations team under the Office of the President, said the problems on the US military facilities raise the immediate need to establish the Bases Conversion Development Authority (BCDA) which will be tasked to oversee the development of the bases, including the sale of Metro Manila camps whose proceeds may be used to finance rehabilitation efforts on destroyed military camps.

Mr. Abueva said the BCDA will implement the conversion plans by the LEBC which may still be revised to address the volcano eruption's problems.

Mr. Lazaro said the BCDA may pursue the proposed sale of 121 hectares of Fort Bonifacio to be transformed into a memorial park which will generate P3 billion, of which P600 million, or 20%, may go to the rehabilitation of military camps under the BCDA's proposed charter.

## Volcanologist: Clark Field Area Compromised

*HK1007071891 Manila BUSINESS WORLD in English 10 Jul 91 p 5*

[By Jose G. Ebro]

[Text] Operations at Clark Air Base could be compromised for as long as three years, leading volcanologist Dr. Raymundo Punongbayan said yesterday, ruling out its future use as an international airport.

At the Philippine Plaza's Bulong-Pulungan forum yesterday afternoon, Dr. Punongbayan said Mt. Pinatubo's "eruptions could last not just for months but for years ... up to three years. It's an open-ended type of problem."

There might be lulls in volcanic activity for some months, interrupted by intermittent explosions, he said. Clark would be affected by ashfall depending on prevailing winds. "If the southwesterly blows, Clark will receive ash. If the wind blows to the northeast, Clark will be free," Dr. Punongbayan said.

"There's a lot of ash. We estimate at least two cubic km. A lot more will be coming if Pinatubo does a crazy thing. A bigger caldera about 8 by 8 kilometers wide could be formed," he warned, noting that recently plotted earthquake epicenters indicate a weak zone for the volcano summit to further collapse into itself.

A ranking government official close to the talks said the United States wants to retain communications, radar and the Special Operations Wing (which operate helicopters and C-130s) at Clark. However, Military Airlift Command (MAC) operations which require the use of large jet transport would be problematic.

Jet fighter training has been suspended and there is no telling whether the Crow Valley gunnery range would be usable as such. "We have to wait for the first big rain. Then we'll know how much the valley will be filled up by the mudflows," the volcano expert said.

"There is a difference between the characteristics of military air operations and the needs of civilian avaiation," the aforementioned government source said. "If the eruptions die down and the U.S. brings in jets for training, well, they can fly those out at a moment's notice. However, commercial flight operations must keep to regular schedules. Airlines will not be able to afford disruptions, not to mention the safety hazard to civilian passengers," he explained.

If the U.S. does decide it cannot continue operations at Clark, Dr. Punongbayan said, "we cannot transform it into an international airport." If the ash-spewing stops, "it could be one year," he said, before Clark could be rehabilitated to full use.

Even after Mt. Pinatubo stops erupting, "we will still have the problem of mudflows," he added. The mudflows do not pose that much of a threat to the facility because Clark is elevated relative to the Sacobia plain; only its outer eastern portion will be affected, if at all.

While Foreign Affairs Secretary Raul Manglapus has anchored his hopes on a statement by U.S. volcanologist Jim Mori that Mt. Pinatubo "will not erupt again in the coming century," Mr. Punongbayan has a different view. "That's really so hard to say," he asserted.

Foreign diplomats believe the Philippines has "its back to the wall" and will have no other choice than to conclude the bases talks quickly "no matter what conditions the U.S. asks for."

## Implications of Taiwan Fishing Accord Viewed

*HK1007045591 Manila PHILIPPINES NEWSDAY in English 10 Jul 91 p 10*

[Editorial: "Something Fishy in Fisheries Pact"]

[Text] Though no formal diplomatic protest has yet been lodged, the People's Republic of China [PROC] has been quick to reiterate its unease over the possible violation of the One-China policy which the Aquino government says it upholds and will continue to respect.

The unease rises from the signing of a fisheries agreement on Sunday between Manila and Taipei, the nature and contents of which still have to be fully disclosed by Malacanang.

From the scant information gathered in Taipei where the accord was signed and at the Manila airport upon the arrival of chief delegate Roberto Lucila, assistant executive secretary and chief of staff of the Office of the President, the agreement allows Taiwanese fishing boats to pass through Philippine waters (though also disputed by Taiwan), along two designated sea lanes, en route to fishing grounds in the South Pacific.

In a return gesture, Taiwan is supposed to help the Philippines modernize port facilities in Aparri, Cagayan and rebuild agriculture in the areas damaged by the Mt. Pinatubo eruptions. It has of late also extended donations such as transport buses to the Aquino government.

It is easy to appreciate the apprehensions of Beijing as well as of local diplomatic and legislative officials over the newly signed pact. An official agreement of that nature, signed by ranking officials of the two entities, is certainly difficult to pass off as a non-government-to-government accord, much as Malacanang wants to make it appear so.

A One-China policy dictates that Manila recognize Beijing as the sole government of the Chinese people. Until this policy is scrapped or the Aquino administration causes the severance of ties with PROC, the Palace should not dare enter into such agreements as the Manila-Taipei fisheries accord. Not only does this court severe diplomatic strains; it also portrays Malacanang as absolutely short-sighted if not ignorant of basic courtesies and responsibilities.

A public disclosure of the provisions of the agreement is likewise awaited by observers who feel that the accord has virtually legalized poaching by Taiwanese fishermen in Philippine waters. Considering the sad state of surveillance and enforcement in this country, who would know if these fishermen should loot our seas as they supposedly pass through?

There's something fishy in Malacanang's insistence and apparent haste in forging a fisheries pact with Taipei. Whatever its reasons were, Malacanang has placed the country in a serious and embarrassing diplomatic fix.

## Losses From Eruption to Date Said $300 Million

*HK1007071091 Manila PHILIPPINES NEWSDAY in English 10 Jul 91 p 8*

[By Rexie M. Reyes]

[Text] Total foreign exchange losses resulting from the Mt. Pinatubo eruptions have reached $300 million, Finance Secretary Jesus P. Estanislao disclosed before members of the Foreign Correspondents Association of the Philippines yesterday.

This preliminary estimate, Estanislao said, was based on the conditions of some of the small export-oriented industries, particularly those based in Pampanga and Bataan, that have been adversely affected by the eruptions.

"But of more significant impact is the loss of foreign exchange revenues from U.S. personnel," Estanislao said.

"We have not made any clear judgment on how much we are going to ask from the International Monetary Fund though," Estanislao said.

No final estimates on the impact of the Mt. Pinatubo eruptions have been reached yet because the volcano continues to be active.

"But when the lahar [mud flow] starts to flow, the damage is quite huge, bigger than the damage wrought by the July 16, 1990 earthquake," Estanislao lamented.

The finance chief, however, remained optimistic about the future of the Philippine economy despite the latest natural calamity that befell the country.

"I continue to be optimistic from an economic standpoint simply because the economy was already poised for growth before disaster struck," Estanislao said.

The main problem, however, will be how to keep the inflation rate from rising further from the 20 percent level, the finance chief added.

In a related development, the Philippines is expected to incur a higher national government deficit next year due to the effects of the Mt. Pinatubo eruptions and other internal problems.

But the increase in the national government gap will not affect the overall consolidated public sector deficit which the IMF closely watches since the other components of the CPSD will record lower-than expected deficits, Central Bank Gov. Jose L. Cuisia Jr. said.

## Central Luzon Unemployment Rate Said To Rise

*HK1007013491 Manila Far East Broadcasting Company in Tagalog 0100 GMT 10 Jul 91*

[Text] The rate of unemployment in Central Luzon has risen suddenly this past month compared to the last three months, according to a report released by the National Economic and Development Authority [NEDA]. The unemployment rate rose to 1.16 million from 513,000 three months ago, among the 2.88 million workforce in the region. This means that a 42 percent unemployment rate prevails in Central Luzon. This sudden rise of unemployed workers is the result of the eruption of Mount Pinatubo which has affected the livelihoods of 651,000 workers in the provinces of Zambales, Pampanga, Bataan and Tarlac.

Prior to the eruption, NEDA pegged the unemployment rate at 18.4 percent in Central Luzon, which was higher than the 11.6 percent cited in January.

## IMF 'Likely' To Object to Proposed Budget Cut

*HK1007051691 Manila BUSINESS WORLD in English 10 Jul 91 pp 1, 5*

[By Maria Gertrudes M. Chavez]

[Text] The International Monetary Fund is not likely to agree to a higher consolidated public sector deficit (CPSD) for 1992 despite massive reconstruction work in Pinatubo-affected areas, Central Bank [CB] Governor Jose L. Cuisia, Jr. hinted Monday night.

A key policy meeting with the IMF was held yesterday afternoon to thresh out possible revisions of the 1992 budget program. (The meeting was ongoing as of presstime).

This policy meeting is very crucial, informed CB sources noted, since this is more or less linked to the $250-million complementary financing scheme of the Asian Development Bank and foreign commercial banks for the Philippine Government. A "seal of good housekeeping" from the IMF could tilt the balance in favor of the Philippines.

Under the economic stabilization program, next year's CPSD is placed at P35.7 [Philippine pesos] billion, equivalent to 2.4

of the gross national product (GNP).

The National Government's [NG] deficit is placed at P4.8 billion; government-owned and -controlled corporations (GOCCs), P14.8 billion; and the CB as well as other units of Government, P16.1 billion.

The IMF's stance is not unexpected, CB sources say, since the Fund has always pointed to the budget deficit of the country's economic problems. A higher CPSD next year, while giving temporary relief, would only derail economic recovery as subsequent deficits could pile up, the same source indicated.

### Shift

Mr. Cuisia said monetary authorities will propose to the IMF a shift in the deficits of the components of the consolidated public sector. The NG deficit would have to be increased, he pointed out, although no specific amount was given.

But Budget Undersecretary Emilia Boncodin said the Finance Department has proposed a preliminary NG deficit of P9.8 billion from P4.8 billion for 1992, or an increment of P5 billion representing infrastructure repair.

This year, Government has opted to stay within the programmed deficit of p26.6 billion, noting that a revision in the 1991 economic program is not advisable considering that the country is already into the second semester.

The CB chief further pointed out that the deficits of the CB and the GOCCs could be transferred to the NG to allow for more infrastructure spending. In the case of the CB, Mr. Cuisia said its deficit has improved "due to lower interest rates and stabilization of foreign exchange."

### Net Loss

According to original estimates drawn by the Development Budget Coordinating Committee (DBCC), the CB is expected to incur a net loss of P31.2 billion next year.

From 1986 to 1990, the CB incurred a cumulative net loss of P89 billion mainly on account of foreign exchange losses arising from its assumption of forward foreign exchange covers for the financing requirements of domestic oil companies during the dollar crisis of 1983-85.

An earlier proposal made by the CB to the IMF called for the transfer of about P34 billion of its liabilities to the Ng beginning 1990 up to 1994 so that by 1995, it would have wiped out its negative net income position. But the proposal needs the approval of Congress.

Mr. Cuisia said a lower estimate for the CB deficit is now possible due to improvement in foreign exchange.

In the case of GOCCs, their allowable deficit may have to be reduced to P11.8 billion from P14.8 billion. DoF sources indicated that the P3-billion slash from the GOCC deficit would have to [be] obtained from funds provided by the private sector under the build-operate-transfer scheme.

Apart from the CPSD, of particular concern to the IMF is the country's galloping inflation which is still close to 20%. Economic managers have conceded that it will be very hard to achieve the average inflation target of 14% for 1991.

## NPA Members To Receive Government Assistance

*HK0207120791 Manila MANILA BULLETIN in English 2 Jul 91 p 8*

[By Aris Ilagan]

[Text] Defense Secretary Fidel V. Ramos yesterday expanded the list of persons qualified to get government assistance and services within the Mt Pinatubo calamity areas by including members of the NPA/CPP [New People's Army/Communist Party of the Philippines] and their sympathizers as well as volcano victims who are living outside the evacuation centers.

Ramos issued the directive to Brig Gen Pantalcon Dumlao, PNP [Philippine National Police] chief superintendent and chairman of the Regional Disaster Coordinating Council after he was informed at a meeting of the council at Camp Olivas Wednesday of the influx of persons to relief distribution centers whose names did not appear in their list of eruption victims.

The defense chief said these persons must also be provided with relief assistance and services if they are categorized as indigent persons and staying in designated calamity areas.

"For as long as they are not able to provide themselves basic necessities for survival due to their deprivation of livelihood or gainful employment, they must be given assistance," Ramos said.

However, Ramos said there is a requirement before these "indigent persons" become eligible for government aid. He said "they should be categorized as indigents and identified and attested to as such by their respective barangay captains and by their city or municipal mayors.

## Disaster Center Protests Military Operations

*HK0907052291 Quezon City MALAYA in English 9 Jul 91 p 3*

[Text] The Citizens' Disaster Rehabilitation Center yesterday expressed concern over ongoing military operations in Pampanga, noting that these could hamper relief efforts.

The military operations were being conducted, although the NPA and the AFP [Armed Forces of the Philippines] have informally agreed to an informal ceasefire in disaster-hit areas in Central Luzon, the CDRC said.

The group, which delivered relief assistance to Pinatubo victims in Barangay San Patricio in Mexico town on June 30, reported that 10 persons were arrested in the town recently, one of them allegedly tortured, on suspicion that they were communist rebels.

The volunteers said relief operations so far remain unaffected by the military operations.

They identified those arrested by members of the 173rd Philippine National Police unit based in Barangay Sto. Domingo, Mexico as Bong Inocencio, Remigio Vercacion, Berong Vercacion, Narciso Navarro, and Serafin Canlas of Barangay Sto. Domingo; Carlos Pabustan, Monico Mercado, Nolan mercado, and Agnes Mercado of Barangay San Pablo; and Miliano Manalili of San roque, Sta. Ana town. Canlas, 47, married and with eight children, was allegedly tortnred while being interrogated about New People's Army activities in Mexico.

The CRDC also said investigations made by the Task Force Detainees showed Canlas, who had to undergo medical treatment, was threatened with death if he fails to report the whereabouts of NPA members before July 15.

The NPA declared a region-wide unilateral ceasefire in the wake of Mt. Pinatubo's eruptions. The AFP followed with an announcement of a ceasefire in selected disaster areas which it has yet to identify.

## Police, NPA Rebels Clash, Violate Cease-Fire

*HK1007132891 Quezon City Radyo Ng Bayan in Tagalog 1000 GMT 10 Jul 91*

[Text] The cease-fire declared in areas affected by the eruption of Mt. Pinatubo was violated when government forces clashed twice with NPA [New People's Army] guerrillas in Pampanga.

It was reported that a policeman and two rebels were killed in the encounters, which took place in the towns of Mexico and Sta. Rita.

## Seven Presidential Hopefuls Face Graft Charges

*HK1007053491 Manila PHILIPPINE DAILY INQUIRER in English 10 Jul 91 pp 1, 10*

[By Roy S. de Guzman]

[Text] Seven of the 11 known aspirants in next year's presidential polls are facing or have been slapped with graft and corruption charges.

The INQUIRER learned yesterday that the seven presidential "possibles" are resigned Executive Secretary Oscar M. Orbos, Senate President Jovito Salonga, Defense Secretary Fidel V. Ramos, Chief Justice Marcelo Fernan, former Agrarian Reform Secretary Miriam Defensor-Santiago, opposition Sen. Juan Ponce Enrile and businessman Eduardo Cojuangco Jr.

Of the presidential aspirants, only Vice President Salvador H. Laurel, Sen. Joseph Estrada, Speaker Ramon V. Mitra and Sen. Aquilino Pimentel have not been linked to graft cases.

Enrile and Cojuangco were among 400 alleged cronies of former President Marcos facing ill-gotten wealth suits before the Sandiganbayan.

Santiago, who was eased out of President Aquino's Cabinet last year, was recently accused by the ombudsman of graft in connection with her implementation of the controversial Alien Legalization Program during her stint at the Commission on Immigration and Deportation.

She was also accused of libel and of "unlawfully" soliciting Christmas gifts from alien businessmen before the Manila regional trial court.

Three of the presidential contenders—Orbos, Salonga and Ramos—were named respondents in suits still pending before the Office of the Ombudsman.

Orbos faces an anonymous suit for alleged unlawful solicitation committed allegedly while he was still transportation secretary. Although the complaint was filed last year, the ombudsman has not yet ruled on the possibility of elevating the graft complaint before the courts.

The graft complaint against Salonga also stemmed from an anonymous complaint filed two months ago directly with the office of Ombudsman Conrado Vasquez. It was not clear what the charges were, but Salonga was charged allegedly in connection with his duties "as a senator."

The graft charges against Ramos were filed two years ago before the ombudsman's office by the Armed Forces of the Philippines' [AFP] Anti-Graft Board.

The case allegedly stemmed from the still-unresolved irregularity committed by top officers of the Constabulary, long a domain of Ramos, when it entered into a contract with the Elizalde owned Elitool Arms Manufacturing Co. for the purchase of thousands of Armalite PC [Philippine Constabulary] new guns, the firm instead borrowed from the AFP itself. The Commission on Audit investigated the case for two years, and has forwarded its report to Vasquez. The case is under review by one of the ombudsman's top aides.

The complaint against Fernan was filed by another anonymous complainant, but was already dismissed by the ombudsman. The case arose from the Supreme Court's alleged "anomalous" decision for P50 million to rehabilitate the old Department of Foreign Affairs building on Padre Faura street in Ermita, Manila, which now houses the high court's new quarters. Fernan was sued along with the other members of the 15-man high tribunal last year, but the case was dismissed "for lack of merit" three months ago.

The investigator who handled the complaint allegedly simply referred the matter to Fernan.

"Under the rules, justices of the Supreme Court could not be removed from office other than through impeachment proceedings," an official close to Vasquez said. "So if a case is filed against a justice, we investigate only to the point of determining whether there is a ground for impeachment. Otherwise, the case against them should be investigated by the House of Representatives."

Vasquez himself has refrained from commenting on the status of the cases. "All complaints filed with us are treated with confidentiality. The only time we can reveal our findings is when these cases are filed in court," he told the INQUIRER.

But last year, Vasquez asked all investigators under him and prosecutors assigned with the Office of the Special Prosecutor to submit to him a list of "sensitive cases" they were handling.

Vasquez has compiled these cases under a single list which he called the "Big Fish" list.

Included are over a hundred names of Marcos and Aquino Cabinet members, AFP officers, senators, congressmen, governors and justices.

"I want the investigation of these finished as quickly as possible," said Vasquez, who said he has given his probers two months to come up with a final verdict on the cases.

## Laurel Urges Stronger, More Decisive Leadership

*HK1007062091 Manila MANILA BULLETIN in English 8 Jul 91 pp 1, 27*

[By Rod L. Villa]

[Text] Vice President Salvador Laurel has called for a stronger and more decisive leadership to move the nation out of widespread suffering caused by a confluence of events capped by the Mt. Pinatubo eruption and exacerbated by serious conflicts in the Cabinet.

Laurel said that such a leadership should as well provide the people with the "fullest opportunity to express their will in a really free, honest and orderly elections to choose the next set of officials in the elections" on May 11, 1992.

Laurel defined yesterday the kind of leadership that he said will surmount the "current unprecedented crisis in the course of a solo performance on the topic, 'The Mystique of the Vice Presidency,'" during IBC TV-13's Talakayan ng Bayan [People's Dialogue], the regular weekend multimedia forum.

He rallied the people to support the "monumental effort to guarantee a full and untrammeled exercise of suffrage" as the "historic turning point" for survival from the "terrible crisis" occasioned by the downtrend of foreign investments, an unprecedented low in tourism, a perceived weakening of political stability, compounded by the series of natural calamities.

"What the Philippines needs as a growing Asian nation in crisis is a leadership in three places: in front of the people to provide inspiration and direction, beside the people to suffer, and even laugh with them, and behind, to urge them to move forward when they are hesitant and in doubt," he said.

Laurel renewed his call for President Aquino to lose no time in replacing Oscar Orbos who resigned Wednesday as executive secretary and to decide on a successor of Defense Secretary Fidel Ramos.

Ramos has an announced his intention to quit the government July 22 to devote full time to campaign against Speaker Ramon V. Mitra Jr. for nomination of a standard bearer of the Laban ng Demokratikong Pilipino [Struggle of Filipino Democrats] (LDP).

"The resignations of these Malacanang key officials is exacerbating the anxieties of the people who are wondering who is in charge of running the Cabinet," he said.

Laurel also said that one of the most critical consequences of the expositon of Mt. Pinatubo is the damage it has wrought on the bargaining leverage of the government negotiators in dealing with their American counterparts on the future of Clark Air Base, Subic Naval Base and other U.S. military installations.

"The implications are serious," he said. "We have delayed and mishandled the situation, so that now we are caught by two bases no longer attractive, their runways covered with meters deep of volcanic ashes."

Laurel said that the bases cannot be used unless cleaned up , and that the Americans have no intention of doing this "untill the volcano stops eurpting." "We are stuck with the two bases we are trying to negotiate for a $850 million compensation for seven years, with the U.S. bargaining for $350 million for 10 years.

"And now, the Americans are changing their position, and are in doubt about the compensation figures, for bases on which they are to spend a lot to clear up," he said.

Laurel said he was in agreement with provisions of the new Foreign Investment Law guaranteeing substantial return-to-investment (ROI) to attract foreign capital and technology in setting up factories and other productivity centers that will provide jobs and enhance exports.

But he deplored provisions setting aside the 60-40 percent apportionment in favor of Filipinos in the capitalization of enterprises. The law allows up to 100 percent foreign capitalization in certain instances.

He said that foreigners should be attracted to investment here "but not to the prejudice of Filipino enterpreneurs.-..this violates the doctrine on Filipinism."

Laurel recalled that it was his father, former President Jose P. Laurel, who coined the word. "Filipinism," which he defined as "the highest of all isms, a nationalism pertaining to the Filipino people only."

While aspects of the national life may be liberalized, in the context of the developing globalization, the fundamental driving force of Filipinism must be upheld, and this dictates that the Filipinos must be masters in their own country, said Laurel.

At the Talakayan [Dialogue], Laurel also said that his role as presidential "spare tire" has allowed him to travel up and down the archipelago, during which he said he has seen the need to reverse the economic decline of the people.

In the region, he said the Philippines "is at cellar level even as Hong Kong, Thailand, Indonesia, Malaysia, and Singapore have galloped up to decades ahead in trade and industry, commerce and tourism."

Laurrel praised Filipino contract workers abroad as "unsung heroes" who are generating incomes of to $7 billion. They have been quietly and doggedly defending the economy" but whose efforts have not been appreciated.

"The government is amid pampering foreign capitalists with tax exemptions and other incentives," Laurel said. Why does not the government grant the same incentives to the Filipino expatriates?"

He stressed that he had denied himself the presidency in 1986 to insure the unity of the opposition in the political crisis.

Laurel said the NP [Nacionalista Party], which has father established along with other national leaders in 1907, growing rapidly with the various factions having now coalesced under its banner.

He said that Sen. Juan Ponce Enrile, former ambassador Eduardo "Danding" Cojuangco, estranged cousin of President Aquino, and he himself have entered into agreedent "to respect the result of the nomination of an NP standard bearer in the party convention to be held next September."

Laurel said he was facing "with great confidence" the reality that Enrile is determined to face him in a showdown in the NP convention, but said he has something built into his presidency of the party, "and this is that no party president has lost the nomination ever, in a political history that has seen seven of the 10 presidents having been NP standard bearers."

## Orbos' Speech Criticizes Aquino Administration

*HK1007024691 Manila Far East Broadcasting Company in Tagalog 0100 GMT 10 Jul 91*

[Text] One week after resigning from his post, former Executive Secretary Oscar Orbos has strongly criticized the Aquino administration because he says it has squandered the opportunities given to it by the 1986 People Power revolt.

In a speech read for him by Benjamin Diokno, president of the Philippine National Oil Company, at the Rotary Club in Raja Suleiman, Orbos said that he was glad he left government service. At present he is on vacation in Pangasinan.

Orbos said the Aquino government and its leaders should feel guilty about the condition of the people, who worry about their future. He added that the majority of Filipinos today, have lost faith in the country's political institutions and in the ability of their leaders to make the country prosper.

## Navy Chief Welcomes Competition Among Suppliers

*HK0907054791 Manila BUSINESS WORLD in English 9 Jul 91 p 10*

[Text] Firms trying to outbid one another for the right to supply equipment for the Philippine Navy's modernization program are helping the Philippines.

Navy chief Rear Admiral Mariano J. Dumancas said because of the "bidding war" among foreign shipbuilders, the bids have gone lower than what was expected.

As a result, the Navy will be able to acquire more attack boats than originally planned without additional funding from the Government.

President Aquino approved last month P [Philippine peso] 400 million as initial funding for the Navy's P48-billion modernization program.

With the fund, the Navy will acquire three fast patrol craft with conventional power, three more with missile capability and two logistics support vessels (LSVs).

### More FPCs

Admiral Dumancas said with this development the Navy can buy two more fast patrol craft [FPC] with missile capabilities.

He also said foreign shipbuilders vying for LSV contracts have agreed to accept a smaller downpayment.

The Navy originally requested P1.8 billion as downpayment but will have to negotiate with only P400 million.

Still, suppliers are interested.

In a previous interview with BUSINESS WORLD, Admiral Dumancas said China State Sea Building as well as shipbuilding companies from Spain, Australia, United States, Singapore and United Kingdom have shown interest. Spain and China have shown the most willingness to supply the Navy.

Aside from fast patrol craft and LSVs, the Navy is also planning to acquire brand new corvettes and frigates. These will equip the core of a blue-water Navy that can project a naval presence outside of the country's territorial waters.

## Transport Strike 'Infiltrated' by Communists

*HK0907121991 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 9 Jul 91*

[Text] Philippine National Police [PNP] intelligence officials today said that the strike by transportation groups in Metro Manila and other parts of the country is being led by the militant group the 1 May Movement. According to Lieutenant General Gerardo Flores, PNP directorial staff chief, the transport strike has been infiltrated by the Communist Party of the Philipppines-New People's Army [CPP-NPA]. Here is Jim Belasano with the details:

[Begin recording] Flores told newsmen that as usual they expect that the communist rebels will sow terror, but added they are prepared for any action by the CPP-NPA. General Flores also called on the groups supportive of the 1 May Movement and other militant transport organizations not to let themselves be used by the communist rebels in advancing their ulterior motives.

Meanwhile, a director of the Church of Christ praised the police for anticipating the CPP-NPA infiltration.

Flores said that the church did not participate in the strike because it learned that the militant groups have a hidden agenda and did not want to be used by the communist rebels. [end recording]

## Transport Strike Judged as Having 'Failed'

*HK1007070091 Manila THE CHRONICLE in English 10 Jul 91 pp 1, 6*

[By Lito Zulueta and Joey Caburnida]

[Text] At least four big transport groups yesterday failed to live up to their promise to paralyze Metro Manila even as President Aquino said the Energy Regulatory Board would announce a "definitive price reduction" in oil products between Aug. 10 and 15.

But a seemingly bigger protest action is being planned by the Iglesia ni Kristo [Church of Christ—INK] and Born-Again Christians to pressure the government into effecting a rollback in oil prices.

The date and place of the rally have yet to be decided, but INK spokesman Bienvenido Santiago said it would be "soon."

Meanwhile, acting Transportation and Communications Secretary Pete Nicomedes Prado said yesterday's transport strike affected only about 20% of the metropolis.

"The situation is normal. No areas have been severely affected as traffic flow was monitored to be normal," Prado said after making a round of Metro Manila.

No violence was reported, but police said they arrested three drivers, including Rafael Gonzales, said to be a leader of the Pinagkaisang Samahan ng mga Tsuper and Operators Nationwide (Piston) [Federation of Drivers and Operators Associations Nationwide], for allegedly intimidating and coercing their colleagues into joining the strike.

Classes in the elementary level, suspended yesterday, resume today.

In Malacanang, the President's announcement of an imminent oil-price reduction came on the heels of the largely ineffectual transport strike. But she reiterated that the reduction would come only after the Oil Price Stabilization Fund [OPSF] deficit had been wiped out.

In a statement read for her by Press Secretary Tomas Gomez III, Mrs. Aquino said:

"ERB chairman Rex Tantiongco says he expects to announce a definitive price reduction between August 10 and 15. It would be prudent to wait for that decision."

The President did not say how much the reduction would be. However, Wenceslao de la Paz, presidential assistant for energy affairs, told Mrs. Aquino in a recent memorandum that oil prices could be reduced by an average of 81 centavos.

De la Paz said the price of premium gasoline, now at P [Philippine pesos] 15.95 per liter, could be reduced by P2; bunker fuel, P4.98 per liter, could go down by P1; and kerosene, P9.35 per liter, could be slashed by 40 centavos.

Earlier, Mrs. Aquino and her energy officials stressed the need to narrow a perceived difference of P7.75 per liter in the prices of gasoline and diesel fuel.

As of May 1991, the OPSF deficit had narrowed from P10.6 billion to P7.2 billion, and was expected to decrease further to P4.5 billion by end—June. At this rate, the OPSF would be completely wiped out by Aug 15.

But the presidential announcement did not seem to appease the INK, which said that other religious groups, particularly the Born-Again Christians, would join them in the protest rally to demand a rollback in oil prices to their pre-Dec. 5 levels.

INK's Santiago said that even without the participation of other religious groups, the INK would come up with a "respectable" number of participants that would "exceed" those who attended its diamond jubilee celebration in Quezon City two years ago.

Police attributed the failure of yesterday's transport strike to the nonparticipation of the INK. But Santiago explained the INK did not commit itself to join the strike because it would participate only in "peaceful" rallies.

### NPA Rebels on Negros Island Said Neutralized

*HK0207115191 Manila PHILIPPINE DAILY INQUIRER in English 29 Jun 91 p 7*

[Text] Military officials based on the Negros Island said yesterday that they neutralized the New People's Army (NPA) in the area with the support of the residents during a two-month military operation.

Brig Gen Raymundo Jarque, Army 3rd Infantry Division commander and concurrent Negros Island Command (NICOM) chief, said yesterday that 105 NPA rebels have been neutralized by his command since it started Operation Thunderbolt Alpha" last April 28.

Jarque told Armed Forces chief Gen Lisandro Abadia that 47 rebels were killed, seven wounded, 36 arrested and 15 others surrendered.

The government, on the other hand, suffered 24 fatalities and 40 wounded, it was learned.

Among the prominent NPA personalities neutralized were Nelson Gallego, deputy secretary of district 6 and an alternate member of the CPP [Communist Party of The Philippines]-NPA executive committee; Reno de Guzman, head of the NPA Tactical Training Command; and Mary Jane de la Cruz, head of the NPA instructional staff.

"The civilians were very cooperative with the military and civil government officials in revealing the whereabouts and the activities of the communist rebels in the region," Jarque said.

The AFP [Armed Forces of the Philippines] Civil Relations Service under Brig Gen Emiliano Templo has been conducting free medicial and dental assistance to indigent families of Negros Island under the "Task Force Kandili" [Task Force Assistance] program.

### Police Chief Deplores NPA's Killing Civilians

*HK0907075591 Davao City THE MINDANAO DAILY MIRROR in English 2 Jul 91 pp 1, 17*

[Text] Killing civilians is a desperate move of the New People's Army [NPA], said PNP [Philippine National Police] regional director Brig. Gen. Manuel Salimbangon, adding that "their true color is now shown they are not pro-people contrary to what they had been claiming".

Salimbangon said innocent civilians in San Miguel, Surigao del Sur lost their lives when the New People's Army guerillas strafed several houses near the police station they were attacking killing a policeman, two members of the Philippine Army, two Cafgu [Citizens Armed Forces Geographical Unit] members and 23 civilians some of them children.

Salimbangon also recalled the ambush-killing of nine civilians including children at New Cortez, New Corella, Davao del Norte while the victims were onboard a passenger jeepney when ambushed by the NPA rebels.

Before the NPAs withdrew after attacking the San Miguel Police Station in Surigao del Sur, they looted several stores of canned goods and sacks of rice.

"That's how bad the NPAs are," Salimbangon said.

## NPA Apologizes for Civilian Deaths in Ambush

*HK0907073891 Davao City THE MINDANAO DAILY MIRROR in English 5 Jul 91 p 4*

["Statement": "NPAs 'Apologize For Death of Civilians'"]

[Text] The New People's Army under the Armando Dumandan Command (ADC)—Davao del Norte expresses its deepest grief and sympathy for the unfortunate civilians killed in a vehicular ambush in Brgy. [Barangay] New Cortes, New Corella, Davao on 7 June 1991.

Initial assessments of the ADC show there were certain weaknesses in the planning and implementation of the said ambush. The necessary precautionary measures planned out to protect civilians in the eventuality by the triggerman as a jeepload of regular AFP [Armed Forces of the Philippines] troopers and CAFGU [Citizens Armed Forces Geographical Unit] forces (two CAFGUs were atop the vehicle) turned out to be a jeep full of civilians, with children and women to boot.

This lack of social investigation and thorough planning on our part were grave errors which spelled the untimely demise of nine civilians and the wounding of seven. Two CAFGU elements were also killed.

Thus we humbly offer our deepest and sincerest apology to the relatives and friends of the victims and to the entire people of Davao whose welfare and interest we shall always serve.

We know that apologies are not enough. But this grave and painful lesson will be part of us for as long as we live. It shall be a recurrent reminder of our deep allegiance to humanity. It will teach us to be very careful and thorough in all our plans and actions in the future so as not to imperil the lives of the innocent.

We shall carry on a relentless rectification campaign among our Red fighters to correct our mistakes and inculcate a much deeper sense of humaneness—which is an essential ingredient in our people's war.

We have also decided to raise an amount for financial assistance to the victims. Some of this amount has already been distributed in response to their immediate needs.

For the Armando Dumandan Command.
(Sgd.) KA. [Comrade] ROLLY TIBAYAN
New People's Army
Davao del Norte

## Rebel Leader on Kidnappings, Assassinations

*OW0907123091 Tokyo KYODO in English 0926 GMT 9 Jul 91*

[Text] Manila, July 9 KYODO—The abduction of Japanese social worker Fumio Mizuno by communist guerrillas last year will not be repeated, while assassination of U.S. soldiers and civilians will be "highly selective," a senior leader of an underground coalition said Tuesday.

Fernandez Navarro, secretary general of the National Democratic Front (NDF), told KYODO NEWS SERVICE that kidnapping is against the policies of the leftwing rebel umbrella group.

"There is a standing policy not to engage in kidnapping or taking hostages among civilians, including foreigners," he said, adding foreign mercenaries and military advisers are exempt from this ban.

The former Catholic priest, who was one of the negotiators during the 1986 failed peace talks with the government, said kidnapping in the past had been done for political rather than fund-raising purposes.

In May 29 last year, a local command of the communist New People's Army (NPA) abducted Mizuno while he was visiting a silkworm farm in Murcia in the central Philippine province of Negros Occidental.

Mizuno was released unharmed on August 2, together with Timothy Swanson, a U.S. Peace Corps volunteer, who was also kidnapped by another local command of the NPA in neighboring Silay, two weeks after Mizuno's abduction. Swanson was suspected of cooperating with local military officials.

Last week, government soldiers killed in a firefight four members of the NPA band that kidnapped Mizuno.

Navarro said higher officials of the rebel hierarchy are "the ones to decide on any action that has any international repercussions."

In the past, rebel sources said Mizuno's kidnapping was a "local initiative" and rebel officials at the national level were not consulted when the action was planned.

The attention focused by the Japanese Government and media was surprising and unexpected, the sources said.

On projects funded by Japan's Official Development Assistance (ODA), Navarro said guerrillas would only resort to "warning" Japanese officials involved in particular projects deemed objectionable by the rebels.

"We leave it to the people to exert pressure to stop the projects concerned," he said. They could resort to launching rallies and letter-writing campaigns to arouse attention, he said.

Navarro said three criteria are considered before a project funded by Japanese ODA gets approval from the underground hierarchy.

These are that there should be no dislocation of people by the project, it should not harm the environment, and the project must not be a component of the Philippine Government's counterinsurgency program.

In April 1989, seven Japanese experts from the Japan International Cooperation Agency (JICA) had to be pulled out of the central province of Bohol following NPA announcements three JICA projects there were "frustrating the peasants' struggle for genuine land reform."

The projects were the Bohol irrigation project (stages I and II), costing 35 million dollars, the Capayas terminal dam, worth 7 million dollars, and the Bohol perimeter road, 24 million dollars.

On killing American soldiers and civilian military advisers, Navarro said the rebels now carefully consider potential public reaction in launching such attacks.

"There is a standing policy on the conduct of partisan operations against U.S. troops and military advisers here because they are regarded as occupation troops," he said.

However, he said rebel policymakers have clarified the policy by stating "political circumstances should be considered." "If we will not gain politically from the assassination, better not to do it," Navarro said.

He said the ambush killing of military adviser Col. James Rowe while being driven to work in 1989 was "politically acceptable" to the public. "There was not much negative reaction."

"But if it were an ordinary soldier, it's an entirely different story," Navarro said.

In 1987, a local command of the NPA killed three U.S. servicemen near the gate of the Clark Air Base, about 85 kilometers north of Manila.

About 10 U.S. troops and civilian workers have been killed by guerrillas during the past several years.

## Suspected Communist Leader Arrested in Zambales

*HK1007062891 Manila MANILA BULLETIN in English 10 Jul 91 p 8*

[By Jerry Uy]

[Text] Iba, Zambales—A suspected leader of the National Democratic Front (NDF) who has a standing warrant of arrest and a reward of P[Philippine peso]15,000 from the Department of National Defense (DND) for his capture was arrested by police authorities yesterday.

Senior Inspector Melchor Fajardo of the Philippine National Police (PNP) identified the suspect as Ruben Palaganas of Malasique Pangasinan, a former treasurer of Benguet Union Mining Co.-National Federation of Labor Unions (NAFLU) in Zambales.

Palaganas was charged with robbery in band. He, however, denied the charges.

He said he was to pay the bail for his release but no judge can be found to approve his release order. His lawyer, Tiburcio Edano, is a former vice governor of Zambales.

## Rebel Returnee Kills Alleged Communist Hit Man

*HK1007064091 Manila MANILA BULLETIN in English 10 Jul 91 p 8*

[By Jerry Lacuarta]

[Text] Angeles City—A rebel returnee shot dead yesterday one of four members of a New People's Army (NPA) liquidation squad who allegedly tried to kill him in this city, a report of the Philippine National Police (PNP) said.

PNP report said the slain communist hit man was identified by the supposed target only as "Ka [Comrade] Liway," alleged member of the NPA Sandatahang unit Pampropaganda (SYP) under one Allan Cotling Gutierrez, alias "Ka Tom."

Reynaldo Cunanan, alias "Ka Ambo," said "Ka Liway" was his companion when he was still connected with the communist movement.

He told investigators that one Herbert Perez, 21, of Capas, Tarlac, fired at him with a .45 caliber pistol but missed while he was on his way home in San Francisco St., barangay Sta. Teresita, this city. He said the firearm was handed to Perez by Freddie Salonga.

At this juncture, Ka Liway who just came from Relles Club also fired at him with .45 caliber pistol but again missed. He returned fire with his M-14 rifle and hit Ka Liway who died on the spot.

Cunanan said the M-14 was issued to him by the officials of the Army's 24th infantry battalion.

A PNP report said Salonga was captured later by the Army's operatives led by Sgt. Marcelino Juarez inside Rancho Club where he sought refuge.

## MNLF Lanao Del Sur Chairman, Rebels Surrender

*HK2206065591 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 21 Jun 91*

[Text] Abdul Alfasa Karin, chairman of the Moro National Liberation Front [MNLF] in Lanao del Sur, and 800 members of his group surrendered to Defense Secretary Fidel Ramos.

Commander Alfasa also surrendered about 234 different kinds of arms and ammunition. The said Muslim rebels who surrendered also pledged allegiance to the Republic of the Philippines.

In a ceremony, the group also received payment for the arms they surrendered, in conformance with the reconciliation program of the government.

Commander Alfasa, who used to be a teacher, joined the MNLF in 1972. He worked with MNLF chairman Nur Misuari in soliciting financial aid for their movement in Central Luzon.

## Survey: Islamic Leaders Favor Mitra as Candidate

*HK1007051491 Manila MANILA BULLETIN in English 10 Jul 91 p 15*

[By William Depasupil]

[Text] Speaker Ramon V. Mitra is the overwhelming choice for president of key Muslim leaders, according to a straw vote conducted among leaders and members of the Islamic Party of the Philippines (IPP).

The survey, conducted during a meeting of the IPP in Cotabato City last June 23, 1991, showed that Mitra is preferred by 54 IPP leaders compared to five votes each for Senate President Jovito Salonga and businessman Eduardo Cojuangco Jr., who were tied for second with five votes each.

The poll respondents were IPP representatives from the provinces of Tawitawi, Zamboanga del Sur, Davao del Sur, Cotabato, Sultan Kudarat, and Maguindanao who represenated the cream of the crop of the IPP.

Defense Secretary Fidel V. Ramos got four votes, Sen. Joseph Estrada three votes. Sen. Mamintal Tamano two, and one each for Sen. Aquilino Pimentel Jr. and Chief Justice Marcelo Fernan.

The survey showed there was no clear choice yet for vice president with Estrada leading with five votes, Sen. Teofisto Guingona with four. Sen. Santanina Rasul with two, and Mitra with one. Most of the respondents did not give their choice for vice president.

On the question of a rollback on petroleum prices, 124 said they favor an immediate price reduction as against three who did not.

In another part of the survey, 109 of the respondents said they are against the U.S. Military bases compared with only 11 who are in favor of the continued stay of the bases.

On the question of what they consider the most serious problems of the country today, peace and order was the answer of 105 respondents, followed by proverty—21, inadequate schools—2, and lack of leaership and inadequate market roads one each. Six respondents had no comment.

## Thailand

### Ranong Overwhelmed by Burmese Immigrants

*BK1007015391 Bangkok THE NATION in English 10 Jul 91 p A2*

[Text] Tens of thousands of illegal Burmese immigrants are flooding Ranong's labour market and jails, the province's governor said yesterday.

So many Burmese have been arrested "they have to sleep standing up behind bars," Ranong Governor Somphon Kunlawanit said.

He called on the Labour Department to send Thai workers to his province to reduce the labour shortage which has resulted in a continuous influx of Burmese into the southern coastal province.

There are currently about 20,000 Burmese offering cheap labour in Ranong, according to Somphon.

"A single police round-up neted 500 people. We have no more space to detain them," he said.

The illegal immigrants work in "all industries" that needed their skills, despite authorities' attempts to arrest and deport them, the governor said.

"The Interior Ministry and the provincial administration are trying to push these people back to Burma. But employers are not cooperating," he said.

Somphon said most employers refused to disclose the hideouts of their Burmese workers though the authorities had warned them that sheltering illegal immigrants is a legally punishable offence.

Some of the Burmese have managed to sneak into Bangkok, Somphon said.

"We set up checkpoints but many still manage to slip through," he said.

In the past, Thai authorities complained that the Burmese government was not cooperating in preventing the influx and accepting deportees.

But Somphon said Rangoon authorities appeared to have changed their attitude and seemed more willing to accept repatriation of illegal immigrants.

Still the exodus has continued and arrests of those illegally entering Thailand were a daily occurrence.

The Muang district police station has been crowded with Burmese arrested for illegal entry, Somphon said.

Labour Director General Prasong Rananan, meanwhile, said the Labour Department would send local workers to Ranong and other provinces where labour shortages had forced employers to rely on Burmese immigrants.

He said that apart from Ranong, some other provinces have requested that the Labour Department supply them with local workers.

Thai authorities earlier this year publicized a plan to deport Burmese who entered Thailand illegally, prompting protests by the US-based human rights group, Asia Watch, which said the tens of thousands of Burmese flooding Thai provinces shold be treated as political refugees.

Subsequent crackdowns also worsened the labour shortage in several southern provinces, with Chumphon and Ranong apparently the worst affected.

According to business sources, Burmese immigrants were employed by fishery, construction, rubber and palm industries in Chumphon, Ranong and some other southern provinces.

Cheap Burmese labour has replaced local labour in the provinces over the past several years.

In May this year, the Chumphon Chamber of Commerce called for the legalization of Burmese immigrants. Under its proposal, local employers would have to pay tax and seek official approval before hiring any Burmese who would then be registered at the provincial office.

Businessmen have said Burmese labour is preventing Southern marine and agro industries from collapsing.

### Daily Wants Action Against Burmese Students

*BK0907103991 Bangkok THAI RAT in Thai 8 Jul 91 p 3*

[Editorial: "Take Them Into Custody"]

[Text] France is the country with the heaviest burden from political refugees, the true ones, or those in disguise. There are peoples of various nationalities taking political asylum in Paris, but France has set a good standard of practice in this area for the world to follow.

Political refugees from Asia, Latin America, the Arab countries, Palestine, or from other parts of the world, are allowed to take up residence in France. True political refugees are given protection, and even help, from the host country. France plays a leading role in providing assistance for asylum seekers. This is the reason why the office of the United Nations High Commissioner for Refugees [UNHCR] is in Paris.

France prohibits those people from carrying out activities in France aimed at toppling other governments. They are arrested and tried if they violate this rule. Thailand has been following this line of practice in dealing with the Burmese dissidents. It has turned blind eyes and even accorded sympathy to the Burmese students who fled the military regime into Thailand. They can remain comfortably here as long as they do not cause trouble for Thailand.

Yet, there are several clues pointing to the fact that those students are making use of Thailand as a base for their political activities under a systematic and global framework. The UNHCR itself became weary and has cut down the daily allowance given to each refugee from 3,000 baht to 2,500. The refugees staged a protest when they heard that Thailand would put them in a controlled area. Twice, the students have staged plane hijackings into Thailand causing big problems for Thailand.

Thailand occasionally arrested students whenever they had gone beyond the country's toleration. There is proof that the students are making use of Thailand as their operational base. Several warnings have been given to them but they never listen to the warnings. Those students are fully entitled to plan activities toward toppling the regime they don't like inside their own country, but not in Thailand.

We are calling upon the government to arrest the 300 Burmese refugees should they continue to tarnish Thailand's image through their demonstrations. They must be taken into custody if they protest against Thai authorities again. We are fully entitled to do so since they are causing trouble.

### Party Leader Urges Alliance of Political Parties

*BK1007011991 Bangkok BANGKOK POST in English 10 Jul 91 p 3*

[Text] Solidarity Party leader Bunchu Rotchanasathian yesterday met Bangkok governor Maj-Gen Chamlong Simuang in a bid to persuade the Phalang Tham Party [PDP] to join the so-called "Democratic Federation."

Mr Bunchu was accompanied by deputy party leader Chamni Sakdiset and spokesman Sutham Saengprathum during the visit to Mr Chamlong.

After seeing Maj-Gen Chamlong, Mr Bunchu said the Democratic Federation was intended to be an alliance of political parties sharing three major objectives: To rid the country of corruption; to decentralise administrative power by holding elections in the provinces and setting up tambon level administrative organisations; and, to distribute income to narrow the gap between public incomes.

If the three objectives are achieved, conditions which in the past have provoked the military into staging a coup would be eliminated, Mr Bunchu said.

"At present the people are looking at democracy in the wrong way. We have to show the people the correct path and help to give them the administrative power," he added.

The Solidarity Party leader said Maj-Gen Chamlong agreed with the idea, but would have to consult with the PDP executive committee first before making any decision.

He said Mr Chamni will act as a coordinator with the PDP.

Mr Bunchu said he will meet with leaders of other parties such as New Aspiration and the Democrats.

### NPKC Deputy Chairman Rejects Warning

*BK1007011391 Bangkok THE NATION in English 10 Jul 91 pp A1, A2*

[Text] Army Chief Gen Suchinda Khraprayun yesterday rejected a charge by his predecessor Gen Chawalit Yongchaiyut that the National Peacekeeping Council (NPKC) intended to cling on to power indefinitely, but reminded his critics that until general elections, the NPKC held ultimate political power.

Gen Chawalit told a gathering of about 1,500 supporters at a fund-raising event for his New Aspiration Party on Monday night that he doubted that military leaders would "return to the barracks"—stay out of politics—after the upcoming general election.

Chawalit also prodded the NPKC to hold the elections as soon as possible, warning that it might follow in the footsteps of previous coup-makers who were toppled in uprisings for failing to hold polls soon enough. NPKC leaders have repeatedly pledged that the election would be held by next April at the latest.

Despite his rejection of Chawalit's comments against the NPKC, Suchinda, the deputy NPKC chairman, sought to downplay speculation that he was at odds with the former army chief.

"We are still brothers and we will always be. Although we have been busy with our own jobs, so much that we haven't had time to see each other lately, we still see eye to eye," Suchinda said, forcing a smile throughout the interview.

"He is now a politician and he speaks the way politicians do," Suchinda said of his former boss.

But Suchinda said the NPKC was always ready to consider any advice by Chawalit because he was the former army chief and "a very capable person".

"I wouldn't dare to give him advice because he's my former boss and a very versatile figure," the army chief said.

Still, Suchinda turned down Chawalit's advice, saying there was no need for the NPKC to review its policy.

"There will be no turning back. We will push ahead to achieve our plans," he said.

The army chief appeared puzzled at Chawalit's suggestion that the NPKC transform itself its a political party after the election [as received].

"How can the NPKC stay on after a new government formed through an election takes over? We will definitely be dissolved," he said.

Chawalit had said converting the NPKC into a "broad-based political party" after the polls was better than trying to hold on to power or advocating an "old-style" political party like the Samakkhitham (Justice Unity) Party.

Asked about how the NPKC would step down from power, Suchinda said: "We will descend the same way we ascended. We got here by walking upstairs and we will leave by the same stairs." He did not elaborate.

But Suchinda reminded his critics that the NPKC still held ultimate political power and would not give it up until the objectives of the Feb 23 coup had been met.

"We still have (the power), including that of removing the prime minister," he said.

Suchinda said he would not like to predict the position of NPKC leaders in the aftermath of the polls.

NPKC Secretary General Gen Itsaraphong Nunpackdi, the deputy army chief and interior minister, meanwhile, sought to quash Chawalit's suspicions that the NPKC would cling on to power.

"The NPKC and the interim government are devoting all their time and energy to make way for the earliest possible election. The draft constitution will be drawn up by August 15 and the National Assembly will try to work fast so the election can be held as soon as possible," he said.

Itsaraphong said he still held Gen Chawalit in high esteem because the New Aspiration Party leader had been his teacher.

Itsaraphong said the NPKC would hold a plenary meeting on July 15 to review its performance and consider adjusting its role during the lead-up to the election.

Suchinda, however, denied any knowledge of the scheduled meeting.

Chawalit said he did not believe that the military would "return to the barracks" after the election, suggesting that it would continue to meddle in politics.

### Anan Says Government Aids Rural Sector

*BK1007011191 Bangkok BANGKOK POST in English 10 Jul 91 p 3*

[Text] Prime Minister Anan Panyarachun yesterday defended his administration's policy towards the country's struggling rural sector, saying that its strategies for education reforms and sustained economic growth are keys to the improvement of their livelihood.

Academics at a forum at Thammasat University on Monday criticised the interim Government for failing to make good on its promise to improve the well-being of poverty-stricken farmers and the rural sector.

The critics said the Anan Administration's economic policy was geared towards benefiting the industrial sector and the urban middle class while the rural masses were left to scratch in the dirt.

Responding to the criticisms, Mr Anan said his administration had been tending to the farmers' plight during the last four months in office.

He cited examples of the government's scheme to ease debt burdens on the farmers and its long-term plan to prevent them from creating excessive debts in the future.

Another project is an assistance programme designed to quickly supply farmers with fertilisers at reasonable prices.

But Mr Anan cautioned that poverty has been a protracted problem which is unlikely to go away.

"The poor did not just come into existence four months ago. (Poverty) has existed for decades," he said.

"That is the fault of all governments and probably this one too," he said.

The situation, however, could be improved by better education for rural people and continuity of economic expansion, he said.

The country's economic growth has to be sustained to create more jobs. "Those who are both impoverished and jobless would face severe hardship," he said.

Rural people should also be given greater opportunities for better education in order to qualify for better employment and higher income, Mr Anan said.

The Government, while trying to improve infrastructure and public health services in rural areas, plans to expand electricity and tap water countrywide. "All these things could lessen poverty but the problem will continue. To eradicate poverty is easier said than done," Mr Anan said.

"What I try to do is to lay down systematic long-term solutions to the problem by means of programmes covering education reforms and job training," he said.

## Vietnam

### U.S. Delegation Arrives for 10-Day Visit

*BK0907150591 Hanoi VNA in English 1442 GMT 9 Jul 91*

[Text] Hanoi VNA July 9—A group of U.S. Government officials arrived here today for a 10-day visit to Vietnam.

While in Hanoi, the American guests, comprising Frederick Downs, administrator of Veteran Administration, and Lloyd Feinberg from the Agency for International

Development, met with officials of the Ministry for Foreign Affairs, the Ministry of Labour, War Invalids and Social Affairs on the implementation of the U.S. Government's Prosthetic Research Project worth 1 million U.S. dollars. This is the first humanitarian aid project funded by the U.S. Government for victims of the Vietnam war.

The U.S. guests also visited the Prosthetic Research Centre in Hanoi and the artificial limb workshop in the outlying district of Ba Vi.

They left here today for a tour of some prosthetic research centres in south Vietnam.

### Romanian Envoy Pays Working Visit 5-9 Jul

*BK0907152391 Hanoi VNA in English 1449 GMT 9 Jul 91*

[Text] Hanoi VNA July 9—A special envoy of the Romanian foreign minister, Valeriu Tudor, paid a working visit to Vietnam from July 5-9. During his stay here, the Romanian diplomat was received by Nguyen Co Thach, vice chairman of the Council of Ministers and foreign minister. He also exchanged views with Deputy Foreign Minister Vu Khoan on the two countries' relations as well as the international and regional matters of common concern.

The Romanian special envoy also had working sessions with Cu Dinh Ba, head of the East European Department of the Foreign Ministry, and senior officials of the Ministry of Commerce, the State Committee for Cooperation and Investment, and the External Relations Commission of the National Assembly.

Romanian Ambasador to Vietnam Cristian Mocanu was also on hand on the above-said events.

### Vo Chi Cong Greets New Yugoslav President

*BK0907151391 Hanoi VNA in English 1447 GMT 9 Jul 91*

[Text] Hanoi VNA July 9—President of the State Council Vo Chi Cong today congratulated Stipe Mesic on his election as president of the collective presidency of the Socialist Federal Republic of Yugoslavia (SFRY).

In his congatulatory message the Vietnamese leader wished that the state and the people of the SFRY would [words indistinct] for the benefit of the prosperity and happiness of all Yugoslav nationalities and peace and stability in the region. He also wished the friendship and cooperation between the two countries constant consolidation and development.

### Additional Construction Projects Approved

*BK1007043091 Hanoi Voice of Vietnam in English 1000 GMT 6 Jul 91*

[Text] Fifty-five foreign investment projects in construction have been licensed this year with a total value amounting to $600 million.

One is a $48 million Italian project for water supply and drainage in Ho Chi Minh City for which feasibility studies have been completed. Several others concern cement production.

### More People Settle in New Economic Zones

*BK1007050891 Hanoi Voice of Vietnam in English 1000 GMT 9 Jul 91*

[Text] In the first half of this year, 41,000 people in 20 Vietnamese provinces have been helped to resettle in new economic zones. This figure is 42 percent higher than last year. They have have claimed 1,700 hectares of rice land and put into use about 1,000 hectares of land. The infrastructure of the new economic zones, including communication roads, irrigation works, dikes, and safe water have been built at a total cost of more than 5 billion Vietnamese dong.

### Song Be Holds Conference on Party Congresses

*BK0807082291 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 4 Jul 91*

[Text] On the morning of 3 July, the party committee of Song Be Province held an enlarged conference to report on the result of the seventh national party congress and explain the preparatory plan for the party congresses of the province in the second round.

Nearly 300 cadres attended the conference, including party members of the provincial committee; secretaries of the subordinate party committees; heads of offices, branches, and sectors; secretaries, heads of propaganda and instruction sections in districts and wards; and some elderly revolutionary cadres.

Comrade Nguyen Van Luong, secretary of the provincial party committee, presented the preparatory plan of the provincial congresses in the second round. He stressed the requirement on wisdom, quality, and capacity of cadres so they can fulfill their job during the appointments.

### Vo Van Kiet Addresses Trade Conference

*BK1007050691 Hanoi Voice of Vietnam in English 1000 GMT 9 Jul 91*

[Text] Vo Van Kiet, vice chairman of the Council of Ministers, says it is important for the trade service to pay attention to market research as a key point to develop trade.

Speaking at the national trade conference held in Hanoi 4-6 July, Vo Van Kiet pointed out that the Vietnamese Ministry of Commerce should study and rearrange its trading system, codifying the management and research function to fulfill the 1991 state plan.

## Central Mass Mobilization Organs Hold Meeting

*BK0907142191 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 3 Jul 91*

[Text] On 3 July in Hanoi, the party committee of the central organs for mass mobilization held a conference with secretaries and deputy secretaries of party committees and chapters, cadres of the Vietnam Fatherland Front [VFF], representatives of the Vietnam Women's Union, the Confederation of Vietnamese Workers, the Vietnam Peasants Association, and the Vietnam War Veterans Association to hear a report on the results of the Seventh Communist Party of Vietnam [CPV] Congress and to discuss measures to implement the congress resolutions.

Attending the conference, among others, were Comrade Vu Oanh, member of the CPV Central Committee Political Bureau and Comrade Truong My Hoa, secretary of the party Central Committee.

Comrade Nguyen Tam Ngo, secretary of the party committee of the Central Organs for Mass Mobilization, carefully presented the contents and spirit of various congressional documents. He stressed the identity of views expressed by delegates at the congress on the party's mass mobilization work.

The conference discussed orientations and measures aimed at implementing the Seventh CPV Congress resolutions, asserted the duty of party organizations and chapters to promptly disseminate the results of the congress among party cadres and members, workers, and personnel; and urged party organizations to satisfactorily prepare for their second round congresses.

## Australia

### Foreign, Defense Ministers Announce UN Role

*BK1007103091 Hong Kong AFP in English 0946 GMT 10 Jul 91*

[Text] Canberra, July 10 (AFP)—Forty-five Australian soldiers will join the 2,900-strong United Nations peacekeeping force to be set up in Western Sahara, it was announced Wednesday.

The Australians will form the field communications unit for the UN operation monitoring a ceasefire between Morocco and the Polisario Independence Movement, Foreign Minister Gareth Evans and Defence Minister Robert Ray announced in a joint statement.

Civilian and military personnel from more than 30 countries will join the UN force, which also has a mandate to conduct a referendum on the future of the former Spanish possession.

Morocco seized the region after Spain withdrew in 1976 and has since then been fighting the Polisario, which claims the support of the indigenous population.

The Australian troops will be deployed in the region for about 35 weeks, the statement said.

"Participation by Australia demonstrates Australia's support for the increasing responsibility of the United Nations in international peace-keeping and the government's commitment to good international citizenship," it added.

### Foreign Minister on South African Sanctions

*MB1007082691 Umtata Capital Radio in English 0600 GMT 10 Jul 91*

[Text] Australia says it is unlikely to lift trade sanctions against South Africa before the end of this year. This is despite moves by the United States to ease restrictions in the very near future.

Australian Foreign Affairs Minister Gareth Evans says even though great progress has been made, the constitutional structure of apartheid is still very much in place. He says more progresss needs to be made.

Evans says Australia will regard any move by the United States to lift across-the-board sanctions as premature.

In Washington, diplomatic sources say U. S. President Bush is expected to lift sanctions either today or tomorrow. Bush told reporters in Toronto yesterday that trade sanctions against South Africa are about to be lifted. He said South Africa has met all the conditions laid down by Congress for such a move.

In other reaction, Zimbabwean President Robert Mugabe says Washington's intentions to lift some sanctions is premature.

### Evans Comments on Delegation's Visit to PRC

*BK1007074491 Melbourne Radio Australia in English 0500 GMT 10 Jul 91*

[Text] Australia's foreign minister, Gareth Evans, says the government's planned human rights delegation to China may have to be called off or delayed. He says Chinese authorities have still not agreed to access to the delegation to key people and places and the delegation is due to arrive in China early next week.

Senator Evans says the negotiations are still proceeding and that a decision will have to be made in the next couple of days. The foreign minister said that while Australia's expectations were never extremely high about access to political prisoners and other sources, it was considered important to try get a dialogue going.

Senator Evans has also welcomed the decision to allow South Africa back into the Olympics.

### Japan Urged To Play Role in Free Trade

*BK1007083691 Hong Kong AFP in English 0732 GMT 10 Jul 91*

[Text] Canberra, July 10 (AFP)—Australian Foreign Minister Gareth Evans Wednesday urged Japan to play a leading role in freeing world trade and to liberalise its own markets.

"Australia has consistently urged ... that Japan play a leadership rather than merely subsidiary role in exercises such as the Uruguay Round of multilateral trade negotiations," he told a conference.

"Not least by being prepared to make some significant further gestures in the liberalisation of access to its own markets."

Most Australians felt Japanese should be full players in international affairs rather than "paymasters who are called in to handle the bill," the foreign minister said.

Meanwhile, the Australian Trade Commission (Austrade) said it would aim to boost sales to Asia rather than North America and target help to the nation's top exporters.

New Managing Director Ralph Evans told reporters that supporting successful companies was a better policy than helping every company hopeful of overseas sales.

Countries targetted in Asia included South Korea, Japan, China, Taiwan and the Association of South East Asian Nations (ASEAN) members, he said Tuesday.

"We're going to provide a superior service to the people who have good potential as exporters," Mr. Evans said.

Austrade was set up in 1986 and has an annual budget of 254 million Australian dollars (194 million U.S.) to assist local companies export more.

## Fiji

### Ethnic Groups Plan Protest Against Unions

*BK0907081691 Hong Kong AFP in English 0717 GMT 9 Jul 91*

[Text] Suva, July 9 (AFP)—Extremist ethnic Fijian groups, including the hardline Taukei movement whose demonstrations prompted coups in 1987, said Tuesday they were planning a weekend march to protest a general strike planned by Indian-led unions.

The planned march and repeated warnings by defiant unions that their strike would "bring the country to a standstill" come amid speculation that army chief Sitiveni Rabuka, who is said to be sympathetic to union demands, will join the cabinet this week.

THE DAILY POST newspaper Tuesday quoted informed government and army sources that Major-General Rabuka, leader of the 1987 coups who last month called on the government to stand down, has succumbed to pressure to take a cabinet post and probably quit the army.

Isimeli Bose, former minister in Rabuka's military government who is organising the protest march for Saturday, admitted the army chief was consulted on the demonstration but denied it had the backing of the 5,015-strong armed forces.

Mr. Bose, managing director of the Ports Authority, said the national [word indistinct] and the five-week-old sugarcane harvest boycott by Indian growers, would generate untold hardships.

"The rise of the unions has never disturbed us," he said. "But what concerns us is that there has never been a genuine attempt to resolve these problems."

Unions were too powerful and ignored the law, he said, adding, "those involved are trying to upstage the government. The country is going to be held ransom by those who have powers to do ill."

Mr. Bose said no government ministers would take part in the march, although at least four including Labour Minister Taniela Veitata led the Taukei movement that in 1987 threatened to burn down Suva if there was no change in government.

Army coups soon afterward toppled an Indian-led elected government, highlighting the tensions here between indigenous Fijians and ethnic Indians.

Those supporting the march include the Viti (Fijian) Civil Servants Association (VCSA), the Port Workers and Seamen's Union and the ethnic Fijian Growers Association.

VCSA Secretary Taniela Tabu claimed that Indian unionists wanted to sabotage the economy. "The strike is being organised by Indian trade unionists because of the dominance of Indians in unions," he said.

"They dominate the trade unions and Fijians do not have any voice there.

"If the economy collapses and the government has to lay off workers we will petition for all Indian civil servants to be the first to go."

Fiji Trades Union Congress President Michael Columbus said the unions would not back down from their protest against anti-union laws invoked by the government. "We will not waiver from this; march or no march.

"Mr. Bose has joined government ministers in hoodwinking the public by trying to label our strike political and we ask whether he has been appointed the campaign manager for a regime that has lost all its credibility," Mr. Columbus said.

### 'Angry Methodists' Demand Christian State

*BK0507045191 Hong Kong AFP in English 0331 GMT 5 Jul 91*

[Text] Suva, July 5 (AFP)—In the biggest demonstration here since the 1987 coups, 3,000 angry Methodists demanded Friday a ban on blasphemy, strict Sabbath day observance and the imposition of a Christian state. The demonstration was triggered by the screening of an allegedly blasphemous film by a Moslem group which has already apologised publicly for any offence caused to Christians. But the Methodists targetted the Moslem community on its sabbath and on the day Prime Minister Ratu Sir Kamisese Mara was host to Malaysian Prime Minister Mahathir Mohamad.

A petition signed by the protesters warned that "violence and brutality" could result from "the unethical attitude" of the Moslem. They also demanded that the government intervene in the month-long sugarcane harvest boycott by growers and the four-month-old gold miners strike. They were led by church president, Ratu Isireli Caucau and its secretary, the Rev. Manasa Lasaro. They said they were renewing their call for amendments to the Constitution for Fiji to become a Christian state because of attempts by Moslems to discredit Jesus Christ.

In a three-page petition to President Ratu Sir Penaia Ganilau, who is a Methodist, they demanded that Fiji be a Christian state. Other demands include the restoration of Sabbath day observance, with restrictions on commercial and sports activities and a government ban on "obscene" or blasphemous films. The petition warned that the church will not tolerate a repeat of a public humiliation of Jesus Christ by other religious groups. It said a film which depicted Jesus Christ as a rogue could only "heighten suspicion, distrust and hatred. It can easily lead to violence and brutality."

Some placards also called for government to cancel a national Moslem public holiday to commemorate the Prophet Mohammed's birthday in February. Information Minister Ratu Inoke Kubuabola met leaders of the Methodist church and the Moslem league earlier this week to try and settle differences. But the Mr. Lasaro said "the damage was done and the march was necessary to make our point." Education Secretary Hari Ram condemned the film as provocative and insensitive and ordered a ban on its screening at all schools.

Methodists are the largest Christian denomination here, while Christanity is followed by more than half of Fiji's 740,000 people, about 45 per cent of whom are Hindus, Muslims and Chinese.

## Papua New Guinea

### Minister Calls for Indonesian Military Ties

*BK1007074091 Melbourne Radio Australia in English 0500 GMT 10 Jul 91*

[Text] Papua New Guinea's defense minister, Ben Sabumei, says Indonesia should no longer be considered a threat to the nation and the two countries should work to improve military cooperation. Mr. Sabumei told parliament in Port Moresby the country should strive to create more trust with Indonesia, especially over border issue.

The relations between the two countries have been strained over the past 16 years by Indonesian troops crossing the border from Irian Jaya into Papua New Guinea in pursuit of secessionist rebels. Mr. Sabumei says the greatest threat to Papua New Guinea now comes from within the country from the growing crime rate and insurgency on the troubled island of Bougainville.